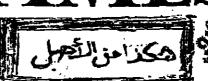
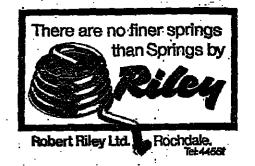
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CONTRIBUTION SELECTION FOR 25; DEMENARY N. 3.5; FRANCE FOR 3.5; GERMANY DAS 20; ITALY, L. 500; NETHERLANDS FI 2.0; NORWAY N. 3.5; PORTUGAL Esc 25; SPAIN Pts 50; SWEDEN N. 3.25; SWITZERLAND Fr 2.0; EIRE 150 NEWS SUMMARY

Storm over leaked

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A major political row has broken out over the leaking of a report on the Birmingham a report on the Birmingham University smallpox outhreak. The future of research at London's St. Mary's Hospital Medical School Britain's only other smallpox research labora-tory is now increasingly, un-Entrago of bond and in the Long. certain.

While the Department of Health accessed Mr. Clive Jenkins leader of the Associa-tion of Scientific and Managerial tion of Scientific and Managerial Staffs, of a breach of faith for leaking the report the Tory spokesman for Social Services. Mr. Patrick-Jenkin, called for a full explanation Mr. Arthur Latham, Labour MP for Paddington, demanded a half to such research experiments at St. Mary's in the light of the report's findings. andings.

The row began when the Department of Health claimed that Mr. David Emals, Social Services Secretary, had sent a copy of the report to Mr. Jenkins on the understanding that it was not to be published up at 68.61.
because of pending legal action
by the Health and Safety GOLD rose \$61 to \$225; after
Executive against Birmingham favourable reaction to the latest
University Page 5

Guadeloupe talks President Carter and the leaders of Britain, France and West Germany, start talks in Guidekoperstants at resolute © THE DOLLAR closed at differences dividing Washing, DM 184971 (DM 18490). De-ton from the rest of the precision videned to 9.1 per Western Alliance, Page 3 cent (9.0 per cent).

Funeral protest

and burned Basque nationaris, flags after the funeral of the city's military governor, shot by separatists, in Ribao, a bamb explosion damaged the local passport office.

Begin pleage

settlements on the West Bank. Members of his Likud party are angry over the Government's refusal to allow the ultra-nationalist Gush Estumin movement to make settlements there.

Guerrilla victim

Black nationalist guerrillas have killed a white district commis-sioner in Rhodesia. David Mirans, 39, died when his vehicle set off a land mine planted by guerrillas.

Hilton dies

Conrad Hilton, the 91-year-old founder of the Hilton hotel chain died of pneumonia in a Los Argeles hospital. There are more than 200 Hilton hotels in five continents. Page 19.

Cambodia threat

In spite of claims by Cambodia that it has slowed a major Vietnemese offensive it is thought that Vietnemese forces are close to taking Phnom-Penh. Page 3

Tanker barred

The crippled Greek supertanker Andres Patria was towed out of Portuguese waters after the Lisbon Government, fearing possible pollution barred it from the country's ports. Page 2 Briefly . . .

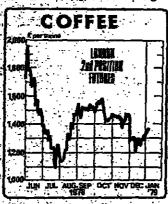
Cypriot cargo ressel sank III a storm off western France. Rescue aircraft spotted one survivor in a dinghy but there Winner of the January £100,000 Premium Savings Bond prize civil ser lives in Hampshire. The winning Page 7

Italy's economy. Page 15

**Equities** rise 2.0; Gold

EQUITIES continued the advance they began on Wednesday, despite increasing prospects of lorry-drivers' action and gloomy news generally. The FT 30-share index closed 2.0 up at 481.9.

6 GILTS moved forward a little. Shorts were finally trimmed to i, while longs



moved up 1. The Government Securities Index closed 0.14

• THE f closed at \$2.0165, a fall from \$2.0245. Its trade weighted index was unchanged at 63.7.

• WALL STREET shortly before the close was \$26.66, up

• COFFEE prices in London reached £1.368.5 a tonne, highest level since November.

• LLOYD'S self regulation mechanisms will be booked into by a working party headed by Sir Henry Fisher, former judge Israeli Presser Menhem Begin and president of Wolfson said that Israel would continue College Oxford.
its policy of bulleting Jewish Back Page Back Page

• JAPAN will send an import promotion plassion to the UK in February. At will place orders Back Page

 EXTERNAL reserves Japan rose to \$33.02bn in December, a record, against \$22.85bn a year previously.

BANK OF CANADA sicreased the Federal bank rate from 10.75 per cent to a record 11.25 per cent. Page 4

 MR. ARTHUR SCARGILL the Yorkshire miners' leader, maed a militant call on members to prepare to fight hard for the union's pending pay claim of up to 40 per cent.

• GOVERNMENT or trade intervention in pension fund investment would be "a further move along the road tototali-tarian socialism," said Mr. Nicholas Goodison, chairman of the Stock Exchange.

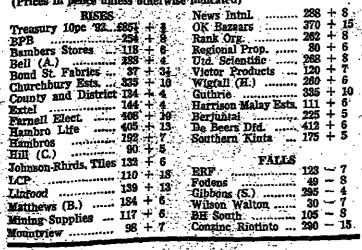
● BUILDING workers will seek compalisory registration of com-panies and workers in the industry if employers further delay introduction of a volun-tary scheme, said UCATT, the building trades union.

● CPSA, the largest Service union, told the Government that it would be vented from governing" refused to implement recommendations of an independent unit's report on pay for 600,000 civil servants.

number is 142P 087055.

Twenty-eight Mafia bosses in • PLANS for a nuclear power Reggio Calabria received prison station at Druridge Bay, near terms of up to 11 years in a Blyth, Tyne and Wear, are being trial that challenged for the first considered by the Central time their control of Southern Electricity Generating Board.

CHIEF PRICE CHANGES YESTERDAY (Prices in pence unless otherwise indicated)



**Rodgers attacks inflationary deals** 

# Lorry drivers' strike on food expected to halt more hauliers

by Nick Garnett and Alan Pike

Pressure on supplies to and from manufacturing and service industries tightened yesterday as the effects of the lorry drivers' strike deepened and lorries away from the wholesale picketing became more widespread.

flationary wage settlements.

He said people who defended strike which has already hit areas of the North. Large par settlements of 15 per cent and more were "either stupid or is likely to curtail public transport in Greater Manchester The drivers, who have su

Shop stewards representing private haulage drivers in Lonof the Road Haulage Association has so far been poorly supported, rejected an employers pay offer of 15 per center. As a result, further large

haulage firms in the capital are and picketing of manufacturing companies in the metropolitan area has already increased. The strike is still having its manufacture.

most severe effects in the North

night delivered a strong attack severe local shortage of fuel. on trades union leaders and Tanker drivers at at least employers who supported in four oil companies in the north-

Haulage and dock loading and

The Freight Transport Association, which represents manulikely to be brought to a halt, baulage, said that in northern areas heavy industry was being hampered by picketing, although not as severely as food distribution and animal feed

and Scotland. Merseyside is now facing severe They a In Manchester, employers difficulties in its supply of car at all." said private haulage to and components, and few com- Editor

At the same time, Mr. from factories had been vir-ponents have been leaving BL's where.

William Rodgers, Transport tually stopped as a result of the big spares plant at Oxford.

Whilliam Rodgers, who is responsible strike, picketing, sympathy The Road Haulage Association the proof of the haulage industry, last action by other drivers and a said that a limited number of binatic big spares plant at Oxford. While there is confusion over the Road Haulage Association said that a limited number of bination of freeze and strike on drivers, particularly in the supplies of food, there is north-east had, however, gone evidence that consumers are north-east had, however, gone back to work but the strike appeared to be solid in most asked in greengrocers' shops. areas of the North. Large parts of the Midlands and the South

The drivers, who have submitted a claim worth about 25 per cent have been rejecting offers of about 15 per cent made by the association's separate

regions.

Mr. William Rodgers said that those who claimed to support the Government's objective of keeping inflation within single figures and then defended settlements of 15 per cent or more for major and well-paid groups without a shred of justification under the pay guidelines were stupid or dishonest.

"They are not offering the kind of industrial leadership Ford's Halewood plant on that Britain needs in the 1980s. They are not offering leadership

Editorial Comment, Page 14

### **British Airways flights** hit by airport snow

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

to cancel up to 70 per cent of its any flights at all but chose to do authority refused. services out of Heathrow Air. so. makes aircraft handling operations dangerous.

Late last night a major row was in progres between the air-line and the British Airports the day of 150 domestic and international flights because of unsafe conditions caused by com-

The airline claimed that the snow had not been cleared properly by authority, and it had become tional by today. unsafe for aircraft, vehicles and personnel to move on.

The airports authority argued

adequate snow-clearing personnel, it had brought over 200 road. personnel and machines from private organisations outside the airport to clear the compacted Authority, following British snow and ice from aprons and Airways' cancellation during taxi-ways used by its aircraft airport.

The airports authority also brought in outside contractors. Both teams were working through the night in a bid to airports get the airport fully opera-

Airline Operators' Committee, representing all the airlines

BRIFISH AIRWAYS may have ways was not obliged to cancel clear the snow, but the airports

could not clear it.

normal today. But British Airways was much

port. London, today because of The airline said that because snow clearing had been going on compacted snow on the aprons of delays by the airports for four days, and that the area the pinch since many super-and taxi-ways which it claims authority in bringing in to be cleared was equivalent to market chains carry goods in

taxi-ways used by its aircraft and dump it on the edge of the

At one stage yesterday, the

that 74 out of 75 airlines at the using the airport, had become so look was gloomy, with "a 70 airport were functioning nor concerned about conditions that per cent shortfall on normal mally and said that British Air- it wanted the Army brought in to operations expected."

The authority pointed out that

240 miles of dual-carriageway had been brought back into use, snow on the 151 aircraft stands ad been compacted into snow

and ice, requiring clearance by manual labour since machines The authority was hopeful that, as a result of working

through the night, the snow clearing gangs would make enough impression on the compacted snow and ice to enable operations to be restored to

less optimistic. It said the out-

### **Pressures** supplies increase

THE SPREADING disruption of the long drivers' strike has added to the pressures on food supplies which have already pushed fresh fruit and vegetable prices up to two or three times last week's levels. markets at Leeds and Glasgow and action was threatened else-

refusing to pay the prices being

Farmers complained yester-day that, unless strikers let through supplies of feed, intensive pig and poultry producers would be forced to start mass slaughtering early next week.

The Feed Manufacturers' Association, however, said most makers ran their own transport fleets, and there was no apparent reason why supplies should be affected in the short-

It said it had assurances from the Transport and General Workers' Union headquarters that unofficial pickets would be "advised" not to hinder lorries owned and operated by feed companies.

The Freight Transport Association, which represents manufacturers using road haulage, claimed there would be severe shortages of fresh foods at wholesale markets from today, particularly in the north-east. Some markets would be virtu-

Unilever halted

On Merseyside, supplies of sugar from Tate and Lyle and output from Bibby's edible oils plant and Princess Foods were halted by pickets. Yorkshire Egg Producers was also hit.

Frozen foods and other produces handled by Unilleyer comduce handled by Unilever companies in the north has been halted.

Food retailers have yet to feel their own lorry fleets.

Supermarkets throughout the While runways and taxi-ways UK reported a sharp rise in the mber of shoppers yesterday, Continued on Back Page

£ in New York

|\$2,0240-0250|\$2,0385-0295 |0,27-0,22 dis | 0,17-0,12 dis |50,47-0,42 dis | 0,38-0,55 dis

### Iran hard-line generals resign

opposing concessions to the concessions made by opposition in Iran have resigned and the chief of staff of the suggestions that the alternative armed forces, Prime Minister to the Bakhtiar Government until last week, has been replaced for medical reasons.

This major shake-up in the senior ranks of the armed forces should increase the chances of Dr. Shahpour Bakhtiar, the prime minister designate, formng a a government,

Gen. Gholam Reza Azhari, chief of staff of the armed forces, is to be replaced by Gen. Abbas Gharabaghi and of the three resigning, Gen. Gholamli Oveissi, commander of the

ground forces and Tehran's chief martial law administrator, is replaced by Gen. Najimi-Najimi considered to be a moderate. The two other hardline generals who have resigned are

Hussein Rabii, air force commander, and Manouchehr Khosrowdad, army air corps commander. Apart from Gen. Azhari the generals are all believed to have been opposed to the formation of a government by Dr. Bakhtiar.
In what can be taken as

another move to ensure military support for the new Government Gen. Fereidoun Jam, a former army commander, is believed to have agreed to become War Minister. He is well respected in the

army though his record of fervent personal loyalty to the popular with the opposition which is denouncing the formation of the new Government.

The resignations should significantly reduce the chances of

THREE HARDLINE generals a military backlash against any There had been Government.

> rule\_ Simon Henderson adds from Tehran: Agreement to increas oil production in Iran to satisfy domestic demand was reached

> yesterday by striking oil workers and a delegation from the anti-Shah opposition. The agreement, yet to be

reflected in daily production figures, now around 230,000 barrels, is intended to ease conditions for the population, which is being severely incon-venienced by shortages of petrol, heating oil and kerosine for cooking stoves.

Production will not increase beyond domestic needs-about

700,000 barrels a day during the winter—until the Shah leaves the country, which Dr. Bakhtiar claims he has promised to do. The oil production agreement was reached after four days of meetings between the oil

workers and Dr. Medhi Bazargan, an opposition politician, who was assisted in the latter stages by a religious leader, Ayatullah Hashemi, represent-ing the fiercely anti-Shah Moslem clergy in Iran. Dr. Bakhtiar, who was approved as Premier by parliament on Wednesday, has still to

be approval formally by the Shah is not likely to make him Shah. A meeting, due to have taken place yesterday at the palace, is not now expected to occur until Saturday. UK still providing weapons to

Iran, Back Page

### **Barre presses Germany** for farm policy change

FRANCE WILL not lift its Amounts created to veto on the European Monetary currency movements. France System until West Germany wanted to make sure that these makes concessions on the EEC mechanisms were not permafarm price regime, M. Raymond nent and would not be Barre. the Prime Minister, reiterated yesterday. It's first major statement on

Paris and Bonn reinforced the French campaign for a more balanced agricultural policy as an integral part of the zone of monetary stability the EEC partners are trying to creae. He attacked the "unjustified inexplicable" available to

German farmers because of

Monetary Compensation

tions of monetary union and the the recent altercation between unity of agricultural prices to be treated separately, he said. French participation in EMS

extended under EMS.

would help to relieve the burden imposed on the Mark by uncertain markets, claimed "If we take part of Deutsche currency the burden in monetary affairs, our partners must take part of Continued on Back Page

It would not allow the ques-

# 1979 The Year for Investment In LCP's last financial year, ending March 31, Homecentres showed a trading profit of £472,000 on turnover of £9.79m. LCP, which was approached by Smith over the latest deal, said yesterday that it had entered the cash and carry retailing business just over three years ago. "It is still

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### W. H. Smith in £12m stores deal

NEWSAGENT and bookseller tion in the wholesale supply of Stock Exchange. W. H. Smith is making its first newspapers, and on the retail entry into the do-it-yourself side we are likely to reach home improvement market maturity in eight to 10 years," through the £12m purchase of the group added.

a chain of stores from LCP The net asse Holdings, the construction to centres on December 31 were

1978. W. H. Smith said yesterday that it had been carrying out research into the d-i-y market for more than three years. The move would offset the effects of the slowdown on growth in the group's traditional activi-

The net assets of Homesmith is buying LCP for cash.
It operates 18 stores with a by Smith are valued by LCP total selling area of 440,000 sq directors at £3.5m. The other fir in the Midlands, the North-West and the South-West. Four of the stores were opened in 1070.

> after providing for rentals of much of our resources to any £210,000 on nine of the proper- one activity. We have other £8m over the book value of the that it intended actively to

> three years ago. "It is still very new to us. We have formed view that it is the big boys that will do well in the future. centres for the nine months to Success in this business comes December 31 are estimated by from purchase muscle, but we LCP to be not less than £600,000 did not wish to commit too W. H. Smith said yesterday

"We have a dominant posi-

LCP will gain a surplus of

assets being sold, and its shares develop and expand the Homejumped by 18p to 110p on the centres operations.

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For latest Share Index 'phone 01-246 8026

W. German

UNEMPLOYMENT in West

Germany rose in December

to just above 1m once more,

but was about 7.7 per cent

below the level for December

1977. The Government, as well as the autonomous

Federal Labour Office, inter-

preted the figures as evidence

of a further cyclical improve

ment in the labour market,

with the absolute rise of

79,678 in the jobless total due

The December figures also justified Ministers' confident

predictions that the average

monthly mindes of ya-employed for 1978 would remain below im. This fore-

east was narrowly fulfilled

by a monthly average of 992,300, to give last year the

lowest monthly average since

last month was up from 4.1 per cent in November to 4.4

per cent, compared with 4.8

to winter weather-

iobless

tops 1m

total

### Barre stresses need for further wage restraint

in store for Frenchmen inflation. before M. Raymond Barre, the to have been completed.

past two years had been in- tion of changing principles. sufficient and that pay rises this The Government would not would be asphyxiated and un-year had to be kept below 10 be lax or generous with credits employment would be even

ably have been just under 10 per abroad. and year open just under to per cent for last year, and the official target is 8 per cent this improvement seen so far, it year. M. Barre said pay restraint was the prime condigional top for cutting inflation and 1980, compared with about 3 posed in social security contributes of the past three years. increasing employment. It was per cent in the past three years.
"the last essential act" in the Productive private investment process of economic recovery. could be expected to get going
If things went well, then again after the end of the Barre

ANOTHER YEAR of austerity to follow, in a period of low which was organised by the The French Premier has nine

Prime Minister, can consider months to go before the sohis cleansing of the economy called Barre Plan completes its course. M. Barre asked in M. Barre told a meeting of September 1976 to be given industry leaders in Paris yester- three years for the job. In the the surplus France achieved in day that wage restraint in the meantime, there was no ques- its payments last year. With-

per cent. The Government was but would maintain strict worse. not threatening an authoritarian controls on lending and on the pay policy but France could growth of the money supply. It not afford to let wages advance would continue its policy of faster than prices. French inflation will prob- competition both at home and

Frenchmen could expect an Plan.

Lorraine and increase in purchasing power M. Barre gave the meeting. building towns.

business magazine L'Expansion, a set of four priorities for the

this year. Top place went to defence of the franc and maintenance of out these elements. France The Government would not would be asphyxiated and un-

Government's economic policies

France had so far obtained satisfactory results as regards the franc and its trade balance. Next on the list came wage restraint, also essential for job prospects. M. Barre said. Thirdly, the Government would butions.

Finally, it would try to set up new activities in regions worst hit by closures: the North, Lorraine and France's ship-

### French companies planning for heavier investment this year

BY TERRY DODSWORTH IN PARIS

the Government's price liberalisation policies is having the desired effect emerged yesterday in a surprisingly optimistic survey of business ment relaxing its grip on in-opinion. ment relaxing its grip on in-dustry still further, and 34 per

Prepared by the Paris-based marketing office for Les Echos, the financial daily, the report shows that the majority of a substantial increase in invest- 2,000 ment this year.

Companies also expect that their profits will be better, and The survey is a strong indica- help with employment. Some cast of 8 per cent.

Rene Monory, the Economics Minister, are meeting widespread approval.
Almost half the respondents

would like to see the Governcent said they would welcome speedier liberalisation.

The main reservation on Government policy concerns its shows that the majority of ability to hold down wage costs. French companies are planning Just over 51 per cent of the companies surveyed believe that it will not be possible to moderate rises to the degree demanded by M. Ray-62 per cent are optimistic about mond Barre, the Prime Minister. The expected improvement pared with 21 per cent last year. in profit margins may however, against the Government fore

HINT that the strong tonic tion that the liberalisation 40 per cent of the companies administered to French industry policies being pursued by M. Indicated that they would be prepared to take on more workers this year, while 50 per cent of the rest appeared to have no intention of cutting

> Another survey, published yesterday by L'Expansion, the magazine, is less business bullish about investment possirespondents see an improve-ment against 53 per cent in the Marketing Office report), but reports that overseas trade will improve and that there will be a growth rate of between 2 and per cent.

Inflation is expected to run at between 8 and 10 per cent,

### **Spring elections for Austria**

GENERAL ELECTIONS will be the decision of the Socialists to cent of the Austrians would pires. This was confirmed by the caused by a string of defeats Federal Chancellor and Socialist and factional infighting among Party leader Dr. Bruno Kreisky the likely successors to the 68in an interview with the Vienna year-old Chancellor. daily "Die Presse." The Chan-However, Dr. K formally propose early elections by the news magazine "Profil" at the forthcoming meeting of that the latest opinion poll

Though the Chancellor did victory. According to the sur- 1975. not mention any date, it is vey made by the IFES Institute. As

However, Dr. Kreisky also

the party leadership next week. pointed to a massive Socialist

held in Austria in May and not in move the election date five opt for Dr. Kreisky and only 23 October when the stautory term months forward was an admis- per cent for Dr. Taus. Speaking of the present Parliament ex- sion of their political failure to the "Presse," the Chancellor pires. This was confirmed by the caused by a string of defeats expressed the view that he regards an absolute majority as " fairly certain" on the basis of the latest poll

The Socialist Party, led by Dr. Kreisky, won the three last elections and captured an absoiute majority twice, in 1971 and

As of this week Austrians will generally assumed that the the Socialist Party would have have to pay an average of 5 elections will take place on May gained 49 per cent of the popu- per cent more for dairy pro-6. Until recently, Dr. Kreisky lar vote at the end of November ducts and 3 per cent more for was a firm advocate of the first and the beginning of December. radio and TV licences. Rail Sunday in October as the Faced with the choice between tariffs have gone up by 8.3 per tatutory election date. Dr. Kreisky or the populist cent, and domestic postal rates
The Opposition claimed that leader, Dr. Josef Taus, 57 per by 25 to 33 per cent.

### Currency holdings drop in **Switzerland**

A LOSS on foreign currency holdings of Sw Fr 2.59bn (£860m) will figure in the 1978 balance sheet of the Swiss National Bank. This amount, equal to the net loss which will be declared on the bank's profit-and-loss account for the year, is to be covered by unpublished reserves on Central Bank covered gold, valued at an unchanged

Sw Fr 11.9bn. The registration of the loss by the bank, which will reduce neither its dividend nor its payments to cantons, is necessary since deprecia-tion requirements of about Sw Fr 4.4bn exceed existing contingency provisions.

The decision to leave the National Bank's large gold holdings unrevalued repre-sent a change of mind by the Swiss authorities over the past few months: partial re-valuation of gold had been foreseen at a bank Press conference in October. This decision to remain with a Swiss frane parity against gold of Sw Fr 4,595.74 per kilo, valid since May 1971, is seen as a result of the movement of the dollar, which is up by some 10 per cent since mid-October to around Sw Fr 1.65.

At the same time, the National Bank's foreign currency reserves are shown in the last weekly report of year — published on Thursday—as having been written down to the average exchange rates of the month of December. Although the monetary authority also took up dollars during the last week of the year due to interventions on the market, total foreign currency reserves fell, as a result, by nearly Sw Fr 2.94bn to Sw Fr 28.98bn during the week. This is still Sw Fr 8.47bn below the level recorded at the end of calendar 1977. During the same period, gold reserves remained unchanged at Sw Fr 11.9bn and bank note circulation expanded by 10.3 per cent to Sw Fr 22.5bn. In the last week of 1978, the value of foreign treasury bonds denominated in Swiss francs fell by a further Sw-Fr 47.5m to Sw Fr 2.03bn, due to another partial repayment by the U.S. Treasury.

#### **Ecevit wins vote** of confidence

an Opposition vote of no confidence was defeated.

With 226 votes against 210, Mr. Ecevit threw out a censure motion filed by Mr. Suleyman Demirel, chairman of the main opposition Justice Party.
The motion said that Mr. Ecevit had not taken proper measures to maintain law and

### Bonn concerned about steel strike but will not intervene

BY ADRIAN DICKS IN BONN

steel stoppage on jobs in other early on Thursday of the latest today: round of talks between the steel employers and the steelworkers' union, IG—Metall.

The official spokesman, Dr. however, that Bonn has no the steel industry, now in its two sides that a solution could outset oven aimed denotately breaktown, the sandappeared to them to motor industry, the most profit of words which would allow it return to it. The spokesman able area of hie steel business, to claim that a "first step" deliberately paid tribute to the the effects have not yet been towards this objective had been deliberately paid tribute to the the effects have not yet been efforts of the mediator whom fully felt. both sides have accepted, Herr With th Friedhelm Farthmann, the State Labour Minister of North Rhine-Westphalia.

morning, a resumption of con-Volkswagen and Daimler-tacts was not ruled out last Benz have both indicated that night. The IC-Metall bargaining they will have to curtail car council, although it sought to blame the employers for the breakdown, sent a telex appealto the conference table." The employers' chief repre-

IN AN EFFORT to reduce

inflation and prevent a deterior-

ation in the trade deficit, Yugo-

slavia plans to keep the growth

in national income to around

This is roughly in line with

last year's outcome but the rate

of industrial growth is slated to

fall to 7 per cent from 9 per cent in 1978 through a reduction

in investment, particularly on new projects, and a continuation

of the monetary controls intro-

duced last July.
The federal budget, which

under the highly devolved Yugoslav system is concerned mainly with national defence.

foreign affairs and a limited

range of federal regulatory services, will in itself be infla-

BY ROBERT GRAHAM IN MADRID

Portuguese territorial waters tanker.

somewhere opposite Lisbon.

6 per cent in 1979.

BY ALEXANDER LEBL IN BELGRADE

THE WEST GERMAN Govern- Weisweiler, in turn accused the special steels used by the inment said it was "concerned" union side of leaving the talks dustry. But sources in the about the impact of a prolonged first. But he undertook that the employers' federation would consider IG-Metall's offer of new industries, following the failure talks at a committee meeting

Bonn Government's Armin Gruenewald, made clear, the two sides in a New Year's employers and IG-Metall have intention of intervening in the cern among steel-users about combined strike and lock-out in any prolongation of the dispute. Although IC-Metall's strategy sixth week. He reminded the of selective strikes has from the two sides that a solution could outset been aimed deliberately

the now over, however, the motor that they will be able to con-Despite the collapse of tinue production from stocks for negotiations early Thursday only a few weeks longer.

production after the middle of this month, while Opel has said members are now on strike in it will be seriously affected by the three bargaining regions of ing to them to "carry out your the end of January. None of the North Rhine — Westphalia, duty as negotiators and return motor companies has been will- Bremen and Osnabrueck About ing so far to say whether it has 43,000 more people in the in-been able to find alternative dustry have either been locked sentative. Herr Franz-Josef suppliers abroad for the many out or laid off.

Yugoslav anti-inflation drive

the national income

tionary. Federal spending is

due to rise 19 per cent to 99.4bn

dinar (£2,6bn) of which 53 per

cent is earmarked for defence.

This is just over 6 per cent of

plans a 5 per cent rise in the

volume of exports and a 2 per

cent rise in imports. However

there does not appear to be too

much confidence that this will be

achieved as Federal Premier

Veselin Djuranovic recently told

the Federal Parliament that the

trade deficit in 1979 is expected

to grow slightly to \$2.2bn compared with £2.14bn in 1978. The

overall balance of payments deficit is expected to stabilise at

around £0.5bn, the same as 1978

and in line with the five fear

Greek tanker decision delayed

The Andros Patria sustained

Dutch tugs in a south-westerly waters to permit offloading of ing oil slicks. direction off Oporto to a point the 160,000-odd tonnes of Two Dutch

beyond the 200-mile limit of Iranian crude still inside the

This followed a decision on a 15-metre hole in its hull when Wednesday night by the Portu- a series of explosions occurred

guese Government to refuse to in the tanker last Sunday. Since

allow the tanker to stay in its then the vessel has moved from cided waters until all risk of leaking the site of the original explosion to brioil had been eliminated. Earlier off Cape Finisterre on the bour.

On foreign trade, Yugoslavia

industry doubt whether some special steels alloys can be obtained anywhere outside West Germany at such short notice.

Should the steel dispute now begin to affect other industries expression of anxiety, which directly, there might well be follows a personal appeal by some moderation of the chorus Chancellor Helmut Schmidt to of support which both the steel Eve broadcast, reflects the con- received from outsiders over the key issue of the 85-hour

working week. During the round of talks which led up to Thursday's breakdown, the union appeared taken. IG-Metall had presented With the holiday shut-down new demands which went sub-ow over, however, the motor stantially beyond the com-namufacturers have warned promise plan put forward by hat they will be able to con-Herr Farthmann last weekend — which Herr Weisweiler had with some difficulty got most of the steel employers to accept. Since the dispute was

the dispute by IG-Metall Wednesday, some 57,000 union

One of the weaknesses of the

years of the current plan has

been the disappointingly low level of productivity increases.

The average growth in pro-

ductivity over this period was 2.2 per cent, 1.7 points lower than the target.

Employment totals have risen

and, together with an estimated

30 per cent rise in the domestic

money supply over the first II months of 1978, have kept

domestic demand at a high level.

imports inspite of restrictions.

Potential exports have been

diverted to the home market,

where prices rose 16 per cent.

The target this year is to keep

inflation down to below 12 per

Two Dutch salvage assessors

were due to board the tanker

yesterday but were prevented from doing so by heavy seas and a strong gale. Nothing can be

done until these men have

assessed the damage and de-

cided whether or not it is safe

to bring the tanker into har-

This has teneded to increase

per cent in December 1977. For men, the rate is now only 3.5 per cent, against 5.9 per cent for women. Broken down into major

categories, the December memployed foreign workers. probably due to seasonal in-fluences on the building industry, and a slight rise in the number of young people out of work, though the total was down 14 per cent from December, 1977. There was little change in the figures for older workers or for the severely handicapped.

There was a further rise in the number of vacancies compared with a year ago, as well as a further drop in the total of people on short-time work-ing, now 126,650 compared with 131,303 in December

### Cardinal faces contempt charge.

AN ITALIAN judge has begun

proceedings against Giovanni Cardinal Benelli of Florence on the grounds that the latter's violent outburst over Christmas against abortion amounts to contempt of the Italian Parliament

This latest twist in the row between lay politicians and the Church in which the Pope also is involved over the law legalising abortion in Italy could well Of CONFIDENCE

By Metin Munir in Ankara

By Metin Munir in Ankara

TURKISH Prime Minister Bulent

Ecevit yesterday confirmed that he has a solid majority in the rolling National Assembly when an Operation in the portable of the rolling National Assembly when a possible of the rolling National Assembly when a possible of the rolling National Assembly when a possible of the rolling National Assembly when a rolling National Carry of the Chairman of the local court of the chairman of to the attention of the Florence

Public Prosecutor. At issue are the remarks of Cardinal Benelli, one of the most powerful Italian churchmen, when from a Florence pulpit he denounced abortion as "festering sore" that had to be eradicated. In doing so he rekindled an argument always of intense sensitivity in Italy.

BY KEVIN DONE

### **ENERGY REVIEW: NORTH SEA OIL**

# Statfjord costs: the time of reckoning

DELEGATES AT a recent oil forgiven for believing that offby two apparently immutable laws. One: "Regardless of how much has been invested, the amount still to be invested remains constant." Two: "Regardless of how far the project has advanced, completion is still six months ahead."

Such a view disregards of that have already been made with the development of major fields such as Ekofisk and Frigg. but it is prompted by the dramatic problems and un-certainty that surround development of the Anglo-Norwegian Statfjord Field, the largest oil field discovered in the North

Statfjord appears to have recoverable reserves of oil in the region of 3bn barrels, yet the development of this massive reservoir which straddles the median line between the Norwegian and UK sectors of the North Sea is likely to end up with one of the lowest rates of return of any North Sea project. Estimated costs of the project

have risen so quickly in the last 18 months that the whole third phase of the development is now back in the melting pot. In the process it has caused an independent inquiry to be launched by the Norwegian government into rising offshore costs and has soured relations between the UK and Norwegian governments.

The next round of talks between ministers should take place at the beginning of could be taken to ensure that February in Oslo, when both Dr. the escalating costs of the B Dickson Mabon, the UK Minister platform could be brought that an eventual third platform of State for Energy, and Mr. Bjartmar Gjerde, the Norwegian Oil and Energy Minister, are due when Mobil Exploratory Normalized as a specific of the field. Originally the third oil and Energy Minister, are due when Mobil Exploratory Normalized as a specific of the field of the fie to address an offshore oil con-

between the two countries as shareholder with 44 per cent. escalating costs now associated costs.

lot at stake.

shore supply industries in Norway and, to a lesser extent, in the UK, and it will eventually make a significant contribution to oil production in both countries

But the UK Government is

concerned that the British supply industry has been largely excluded from the valuable contracts awarded so far and the oil companies on the British side of the median line—the British National Oil Corporation, Conoco and Gulf have a little over 11 per cent of the fieldare still pushing ahead with feasibility studies for the relocation of the second and third platforms. The UK Government and particularly the British National Oil Corporation are examining the possibility of relocating the B platform, which is already under construction, in the northern sector of the field, so that a third platform could then be placed in the southern part of the field in the UK

The British position was clearly defined in a stronglyworded letter sent by Dr. Mabon late last year to the Norwegian Oil Minister.

Dr. Mabou claimed that there was an urgent need for the two

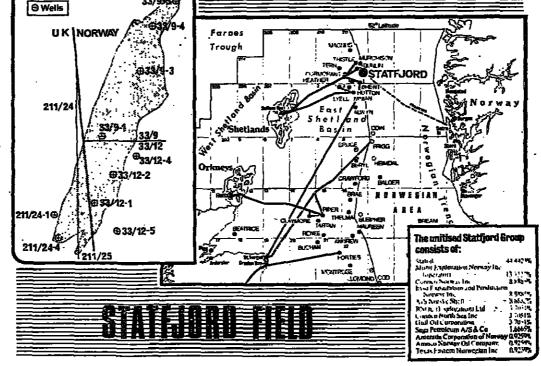
well as a subject of internal controversy in Norway. Ministers made no moves to undermine
have become involved in the the unitisation agreement, but shore oil developments, partikind of negotiations that in it is pressing for a more cularly on the Norwegian Contialmost every other North Sea economical development plan nental Shelf, are now governed development would have been and a greater share of orders the sole preserve of the licensee for UK suppliers, oil companies. But there is a The UK considers that the

post-tax rate of return for the The Statiford project represents orders worth billions of dramatically to 14 to 17 per dramatically to 18 per dramatically to 18 per dramatically to 18 per drama this assessment could prove to be over-optimistic. The cost. increases over the last year for the B platform alone-Mobil estimates that it could cost \$1.7bn to \$1.9bn compared with an estimate of \$1.28bn at the end of 1977—have reduced the return on this part of the project to 9 to 12 per cent according to Dr. Mabon.

These are figures which the with. A White Paper persented to the Norwegian Parliament at the end of October suggested that the rate of return for the A and B platforms after fees and taxes would be only 14 per cent. The A platform, which will be capable of producing up to 300,000 barrels a day, is now expected to yield a return of about 17 per cent and the B platform no more than 12 per

The total cost of the development could be more than NKr 32bn (£3.2bn), an increase of NKr 3.1bn on the last estimate.

It is not so much the figures that are in dispute but rather the way in which any further increase can be avoided. Dr. Mahon, advised closely by the British National Oil Corporasides to agree on what steps tion, is pressing hard for the could be taken to ensure that whole issue of the siting of the B platform to be reopened, so way was appointed as operator. the concrete Condeep design
About 88 per cent of the field chosen for the A and B plat-The Stattford project has is in Norwegian waters with forms, but the UK is anxious to become a major political issue Statoil, the Norwegian state oil avoid a repetition of the



with building concrete platforms in Norway, The Norwegians are deeply sceptical about any suggestion of re-siting the platform, how-

ever. It is already under construction they argue-the contract was awarded to Norwegian Contractors nearly a year ago-and was designed specifically for the seabed conditions of the southern location. Design changes would only add further to the costs they maintain. But according to Dr. Mabon.

a roughly comparable production system on the UK side of the median line, with a steel platform pipeline connections and drilled ready for produc-Statifiord group as much as on final development \$2,9bn to over \$7bn.

The UK portion of the Stat- Minister, with the project still at fjord Field could have been a a relatively early stage and the viable development in its own right with recoverable reserves of about 400m barrels of oil. But it has perhaps dawned upon the UK companies and the British Government too late that they have given away significant put forward by Mobil for the industrial opportunities by opting for a unitised development. Privately they harbour real doubts about the chances of success for their rearguard reality.

But Dr. Mabon has spelled wegian out to the Norwegian govern- wants a feasibility study to be ment that none of the parties in the deal can ignore potential savings of the scale of \$1bn. In tion would cost about \$1bn. Ilttle over three years the esti-This would ultimately save the mated capital costs for the whole development have risen from

C platform not yet on the drawing board, "there can be no certainty that without drastic counter-measures costs will not escalate still further."

The UK Government is deeply sceptical of the latest estimates rest of the development of the field, which Dr. Mabon considers to be "highly optimistic and unlikely to be borne out in

government that it set up as soon as possible to look at the relocation of the B ask Mobil to study the idea. platform, which it considers has Meanwhile BNOC is conducting not yet reached a critical stage of construction. But it is equally concerned at what Dr. Mahon considers to be "the almost According to the UK Oil total lack of industrial benefits"

of contention between Norway and the UK for several years. Co-operation agreements between the two sides and Ministerial meetings every six months have done little to alleviate the problems, especially when both governments are striving to keep empty construction yards in

But the UK believes that the Norwegians have failed to operate competitive bidding in the Stattjord project. It is felt that at Statoil's insistence, the bidding procedures adopted by Mobil have precluded UK in-dustry from bidding for nearly all of the expenditure com-mitted on the B platform to date. British suppliers can now expect to get access to the bidding for only the equipment units (modules) and other smaller units, although this work will still amount to million hundred several pounds,

The Norwegian Government replied last week to Dr. Mabon's latest letter, but it has avoided answering points of detail. Instead Mr. Gjerde points out that he has commissioned an independent analysis of the increasing costs of developing oil fields on the Norwegian Con-tinental Shelf and he has also requested Mobil to prepare a report on its own experiences in the North Sea, along with suggestions for securing the most economical development

of the rest of the Statfjord Field. Mobil, Statoil and the Norwegian Petroleum Directorate The UK has told the Nor- have all indicated that no benefit would be gained from reits own feasibility studies and the results so far appear

> The British Covernment be lieves that control of expendi-

that have so far accrued to ture on the project has been lost because of the high cost of Access to each other's offshore Norwegian goods and services. Access to each other's offshore supply markets has been a bone combined with unnecessarity stringent regulations on plat-form construction standards.

The major cost problems began to hit the B platform after the Norwegian Petroleum Direc-torate insisted on major design changes at the end of 1976. The result, as Mr. Olav Christian sen, the Statoil manager for the project, admits is that the B platform will be the "most beautiful platform ever de-signed, the prettiest and the safest ever built." In the process its production capacity has been virtually halved to about 180,000 barrels a day.

But he maintains that the Norwegians have had a "wakening up over the B platform. From now on we are going to have much closer co-operation evaluation and pre-engineering. As a result we will find that for the C platform some of the things required in the past by the authorities are perhaps not necessary."

Statoil still has a completely open mind over the third phase of the project, says Mr. Christiansen. But a move will have to be made this year and decisions must be taken on how the oil should be transported ashore -for the present it looks like offshore loading into tankersand on the best way of handling the considerable re-serves of gas in the field.

The first production-wells are now being drilled from the A platform and oil should start flowing from the field before the end of the year. Present plans call for the B platform siting the B platform. But Mr. to be towed out to the southern Gjerde has at least agreed to part of the field in 1981, but the ministers' meeting next month could just change all that

EUROPEAN NEWS

MPLOYMENT in the same rose in the set of the figures as the same rose in the set of the figures as the same rose in the same rose in the absolute in the absol

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month was up in seent in November cent in December in December men, the rate is to per cent, against for women.

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### Italy strike threat over delays in reorganising chemical industry

ITALIAN irade limons have banks heavily exposed in the policy of the late 1960s and

dustry. In Handening of the intoins towards the injuncity Christian the coerced liquidation of the Democrat Government comes in two chamical companies and the face of the growing difficulties subsequent reconstruction ties of several major chemical their subsequent recursion of the groups and the danger of wide banks and the appointment of spread redundancies particu-larly in the depressed south of

The two chemical groups, now on the verge of financial col- with the trade unions yesterday lapse, are Societa Italiana Resine (SIR) and Liquichimica with assured labour leaders that the major investments in Calabria, proposed recovery of the chemi-

threatened at call a general two companies in order to sal-strike later this mouth if there vage the troubled groups have are further delease in the imple so for falled. This largely rementation of the long awaited flects unwillingness on the part

> operations.
>
> The unions are pressing for new managements.

Although Sig. Romano Prodi, the new Industry Minister, who was continuing consultations over the chemical crisis, has

early 1970s for the industrial recovery of the south.

Production at four of Liqui-chimicas six plants in the south recovery programme for the of the banking system to be fur-country's siling chemical in their involved to the salvage for the past 13 months accumula-dustry. iosses totalling some L100bn (£59.2m) and debts of about L1.000bn.

For its part, SIR, whose chemical plant at Porto Torres through the intervention of the in Sardinia apparently has run out of raw materials, is reported to have lost some L480bn last year, while Anic is expected to lose nearly L200bn. The operational losses of Montefibre, the synthetic fibres and textiles subsidiary of Montedison, are cur rently estimated to be in excess of L250bn last year.

major investments in Calabriz, proposed recovery of the chemistry and Sardinia. But the otherwolfalian chemical grants, the Milar-based Montedison conglomerate and the State-controlled Amic group, crippled by dustry in the south employs mounting losses and debts, also are struggling to put together financial and structural recovery programmes. The chemical crisis has bitten programmes. The chemical crisis has bitten programmes. The chemical crisis has bitten programmes where a number of capital intenchmica, and SIR, repeated sive plants were set up as a attempts to form consortiums of major part of the disastrous in the south.

### Dutch barge strikers claim support of more than half private owners

BY CHARLES BATCHELOR IN AMSTERDAM

yesterday claimed that their force companies making ship-three-day-old strike aimed at ments to Belgium and France forcing Government interven to offer their cargoes through tion in the barge freight market shipping exchanges. Cargoes for had been joined by more than destinations in Holland are half of Holland's 5,000 or so already covered by legislation private barge-owners. More than requiring shippers to work 3,000 are recusing cargoes while through one of the 15 exchanges. several hundred vessels which. A bargeman reports to his have already been loaded are nearest exchange when his refusing to travel any further, vessel is empty and he is placed.

Mr. Jan de Vries, spokesman for on a list. The bargeman at the the Independent Boatmen's top of the list is given first Union (ONS) claimed. choice of the available cargoes. the Independent Boatmen's top of the list is given first Union (ONS) claimed. choice of the available cargoes. The Transport Ministry said, This system was introduced to however, that with many of prevent shippers forcing prices Holland's waterways frozen over down by playing one bargeman and impassable no clear estion against the other. Bargemen operating on could be made. Poutes to Belgium and France The Dutch bargemen want set up their own voluntary traffic.

STRIKING DUTCH bargemen the Ministry of Transport to exchange three years ago but this is being increasingly tariffs down, Mr. de Vries said -The State Secretary at the Ministry of Transport, Mrs. Neelie Smit-Kroes, has refused to extend controls to foreign barge trade for fear of provok ing reprisals from other countries. Free barge traffic on the Rhine and related water ways is guaranteed under the Act of Mannheim. Any Govern-

### Power cuts freeze E. Europe

winter in Eastern Europe is that strip mine lighte for in East Germany because of in-wreaking havor with electricity power stations and gas produc-and gas supplies and causing a tion. Electricity supplies are further decline in industrial extremely tight, and priority is production. Pledges are being given to preventing fur-obtained from factories by the ther brown outs and to keep Communist. Governments that furnaces from cooling in heavy

tons of cargo awaiting export is freezing solid in railway cars. Although electric voltage has has piled up as shiploading has along with coal supplies. Transbeen reduced throughout East

Communist Governments that furnaces from cooling in heavy restored.

production targets for this year, industry. A 300-metre tall TV The East German News will, nonetheless, be met. tower near Pizen has snapped Agency says that border troops in Poland, snowfalls and tem- in high winds. are doing "exemplary and

portation is hopelessly snarled virtually ceased portation is hopelessly sharled Germany, leaving street lamps in Czechoślovakia thick after ten hours of continuous flickering, the lights are on full layers of ice are covering the fresh snow.

THE CONTINUING extreme giant bucket wheel excavators Production is down sharply winter in Eastern Europe is that strip mine lighte for in East Germany because of in-Production is down sharply

are doing "exemplary and peratures of -30C have had Hupgary's most important in reliable service at the state serious economic repercussions, dustry, aluminium production, border under the present very in the port of Gdynia 350,000 has been severely hit as bauxite complicated conditions." Germany, leaving street lamps

THE GUADELOUPE SUMMIT

### U.S. SALT talks worry European allies

PRESIDENT CARTER and the little influence on the final emphasised that secrecy was leaders of Britain, France and shape of the SALT 2 agreement, vital to the whole initiative. West Germany open discussions improve the communication flow "between Washington and Western Europe. 🗧

both the divergent interests of the U.S. and Europe and the

The U.S. and the Soviet have been reached at the exbut does not refer to the medium-range Soviet weapons threaten Europe. It now looks, too, as if the disputed Soviet " Backfire" bomber will remain outside the scope of the treaty and be dealt with in a

that Cruise missile technology level. may be denied to the European allies under a clause in the pro- the European wish for increased President Gerald Ford on the posed SALT pact. A "non- consultation. West German neighbouring French island of circumvention" clause could, news reports claim that Martinique. Those talks helped

able uncertainty in Europe move which clearly affected about U.S. security intentions NATO policy. The U.S. has not but the allies have remarkably denied the reports and has ship with Washington.

a bilateral negotiation exclusively we would have to

`protocol.

Two other issues underline U.S. decision to establish U.S.-European

Second, the Europeans would but there is still considerable sustained economic crisis in the U.S. could put substantial presget consensus within the NATO sure on its defence spending alliance." President Carter is and, even if it only affects the expected to repeat this non-NATO components of the assurance and to brief budget there will be serious Schmidt repercussions for Europe. The Giscard Allies have made clear that they would welcome some kind of prior discussion before such measures are taken.

British officials have sug

inhibition—an approach emerged at the seven-nation Another source of concern is: to do his negotiating at summit the formal host at the current meeting—the precedent being his successful talks in 1974 with on U.S. French relations and on generally. The three European leaders are hoping for a similar boost for their troubled relation-



BAKHTIAR

### Will his best be good. enough?

By Simon Henderson in Tehran

WITHIN A few days it should be clear whether Dr. Shahpour Bakhtiar is to be Iran's new leader or simply another of the casualties of the turmoil which has beset this huge and complex coun-

On Wednesday Dr. Bakhtiar said that he had his cabinet of new faces ready but for the moment it was top secret, an answer interpreted by some as meaning in fact he did not have his cabinet fully together yet. And, of course, the vital pre-

condition of his success-that the Shah should leave, even if supposedly only for a holiday, has also still to be satisfied.

For the moment Dr. Bakhtiar stands alone. Rejected by his former colleagues in the main opposition, the National he seems to stake everything on the gamble that Iran's internal struggle against the repression and corruption of the Pahlavi dynasty can be overcome in a superficially constitutional way. It was no surprise to many

observers in Tehran that as the country slipped further into chaos last week the Shah turned to Dr. Bakhtiar, and Dr. Bakhtiar said he would

Despite his 25 years of membership of the National Front imorisonment under Shab, Dr. Bakhtiar and the rest of the extensive Bakhtiar family, have been very much involved with Iran's establishment circles of the present and the recent past. There are Bakhtiars to be found everywhere, in the burea-

cracy, business and the banks. In fact, it was a Bakhtiar who was the first head of Savak. Dr. Bakhtiar himself was a minister under Dr. Mossadegh, the Nationalist premier of the 1950s who also forced the Shah's departure until the Central Intelligence Agency organised a coup against the regime.

Members of Iran's dreaded secret police. Savak, broke Dr. Bakhtiar's arm when disrupting a meeting in a private house of the National Front in a town near Tehran ast year. Nevertheless, Dr. Bakhtiar has still been prepared to run the risk of being another of the Shah's dispensible Prime Ministers, and try to form a viable administration while parts of the poltical establishment, the army generals, the Shiite moslem clergy and the mob look on in disbelief. The best which Dr. Bakhtiar says is that in nower he will gradually gain

support. lawyer by profession Dr. Bakhtiar was educated Paris and Beirut. When he returned to Iran it was said could not even speak Farsi. A healthy looking 63
—a comparatively young age
for Iranian politicians—he dresses neatly in trim suits sports dapper moustache.

The French background comes through clearly in Dr. Bakhtiar's political thinking. At the Wednesday news conference he referred to "Les grandes lignes de politique." Ιa

He is said to believe in the separation of church and state, which is difficult in Iran because Islam is a secular religion and, of course, a major political force. Dr. Bakhtiar's associates say that he thinks the Ayatollah Khomeini and the other clergy do not have the intellectual ability to run a

to religion.

### Rebel forces near Phnom Penh claimed yesterday to have claimed fresh military successes Kampuchean National United slowed a major Vietnamese in a war that the Government Front for National Salvation offensive, but analysts here said in Phnom Penh admitted was

that Cambodian defences were capital. withering under methodical Vietnamese ground attacks and widespread air strikes.

predictions about the escalating Penh. The radio said Vietnam conflict without first-hand information, said it appeared the Vietnamese and their pro-Hanoi Cambodian rebel allies have decided to take Phnom Penh militarily.

that the invading forces will simply carve off a portion of the country, declare a rival government and try to uost the radical regime of Premier Pol Pot through less direct means.

there are growing indications drawing ever closer to the

A Radio Phnom Penh broadcast accused Vietnam of launching air raids on several towns, Several Western and Asian including Neak Luong, only 50 analysts, noting the difficulty of kilometres southeast of Phnom had stepped up its aerial bombing because of great losses suffered on the ground, by rebel troops it supported. But the rebels said in a radio

broadcast that they had taken But there is still speculation the northeastern provincial capitals of Stung Treng and Lomphat, both some 200 kilometres from Phnom Penh. Western diplomatic and Thai military intelligence sources in Bangkok confirmed an earlier casualties on Vietnamese troops Agencies

east of the capital. But they doubted that the military successes were wholly the work of the Front's forces. the fighting had been done by east of the capital. Vietnamese.

Radio Phnom Penh indicated

that the heaviest fighting was south of the expital in the provinces of Takeo and Kampot. The Bangkok sources said the likely target of the current offensive was Highway Three connecting Phnom Penh with the southern port of Kampot. Radio Phnom Penh said government forces inflicted heavy

yesterday claim by the rebels of the on eight fronts along the who y successes. Kampuchean National United of the common border wi Vietnam, from Ratanakiri in ti (KNUFNS) that their forces had north-east to Kampot.

taken Kratie, a vital Mekong The Kampuchean Radio sa river port 160 kilometres north- Vietnamese planes had all attacked Tonlebet on the ea bank of the Mekong opposi the provincial capital of Kar saying they believed the bulk of pong Cham, 70 kilometers nort

Meanwhile China accuse Vietnam of having unleashed full-scale war to conqu Cambodia.

A commentary in the People Daily said the Cambodians we resolved "to wage a protracte war of resistance." But it gav no indication of what move were contemplated by the Chinese Government.

### Begin pledge on new settlements | S. Africa

policy of building Jewish settle- fifth day yesterday beside an Committee, said Israel should ments on the occupied West army road block which was increase settlement on the West Bank Mr. Menahem Begin, the Prime Minister, said yesterday. He told members of his Likud the Gush demonstrations were Party, that the Government unnecessary. There would be would continue to fulfil its election promises to settle the West Bank. He added that he had told President Carter that Israeli settlements in occupied territory were legal. Mr. Begin was speaking at a sure that the settlements aided

stormy four-hour meeting of his Israeli security, as claimed by party's parliamentary group, many. The Minister said he pre-Many of those taking part were ferred enlarging existing settleangry over the Government's ments, rather than scattering refusal to let the ultra-new ones over the West Bank. nationalist Gush Emunim movement to establish new settle- between Likud members during ments this week.

The army has blocked five attempts by Gush Emunim to create new settlements on the them bitterly. Professor Moshe West Bank in the past week. Arens, chairman of the Knesset

ISRAEL will continue with its One group was camped for the Foreign Affairs and Defence stopping them occupying a Bank without delay and must mountain top near Nablus.

The Prime Minister said that to do so. new settlements, he said, but when the Government considered them suitable and not as dictated by pressure groups.

Mr. Ezer Weizman, Defence

Minister, said that he was not

ments, rather than scattering There were fierce exchanges the debate. Some were full of praise for the actions of Gush Emunim while others attacked

expropriate the necessary land

Mr. Moshe Nissim, Minister without Portfolio, described some Gush Emunim members as scoundrels and frauds." Haim Corfu, an MP, said the Gush movement was an inflated balloon. Meanwhile, there have been

no indications in Jerusalem as to when negotiations with Officials continued to deny that a senior Israeli diplomat in Washington had said the talks would be resumed by the middle of the month. Israel is willing to resume the

talks, officials said, and is now awaiting U.S. suggestions for the timing, location and levels of

### Tension rises in South Lebanon

BY IHSAN HIJAZI IN BEIRUT

TENSION IS rising sharply and sauce, a large number of guer- The Israeli-equipped militias quickly again in Southern rillas have infiltrated into the are under the command of an vacuum emerging as a result of France's decision to withdraw its operational troops from Unifil, the United Nations force which has been maintaining law and villages. and order there since the Israeli invasion nine months

according to their reconnais- over to the Christian militias. commander.

Israelt gunboats have been has risen from 300 to 600: forces. Ambassadors of the patrolling Lebanese territorial The 800 strong French permanent members of the waters off the port city of Tyre battalion has been the main Security Council have been which is under control of Pales striking force in Unifil. Without asked to urge their govern-

Ghanaian commander of Unifil. held talks here this week with

Reuter adds: Veteran Chinese

communist Hu Yaobang (Hu

senior vice - premier Deng

Xizoping (Teng Hsiao-ping)

communist party posts. The People's Daily described Mr. Hu in an article on a new year gathering of writers and artists,

BY JOHN HOFFMANN IN PEKING

ship's attitude .to free-speech poster campaigns throughout the major cities, official propaganda ship has a particular kind of continues to urge the masses towards "democracy."

published an editorial which at first reading seems to be a told. strident call for unfettered free- Giv dom of expression and decisionmaking. Its final paragraph trumpets:

in which the people dare to speak, to criticise and to debate. The revolutionary enthusiasm of the masses will be given full play in socialist modernisation." In an undeclared reminder wished China's energies to be directed entirely towards speeding development, the editorial tions must be accomplished by

modernisation. "Let people say what they corners—to air grudges, com-wish—the heavens will not fall. plaints and demand new rights. If we do not allow people to say things that are incorrect, that is anothema to a totalitarian just the same as keeping every-

of those higher up impedes

body's mouth shut."

China depends on the talent,

Japanese reserves rise

DESPITE a notable cooling last a democratic spirit throughout "ruralised educated youths" to month of the Chinese leader- the Communist Party, the army their hometowns. and the masses. However, it added a careful

rider clarifying that the leader-ship has a particular kind of tural revolution and regarded democracy in mind: a mixture of licence and constraint called centralism." democratic of the Government's line, the roughly defined, it means that has been given two powerful so far, the new rig. Sedco 709 People's Daily newspaper has people may say what they wish. communist party posts. The is to start drilling 210 mile so long as they do as they are

> Given the strength of the present leadership and the stability and unity which it publicly claims, that may indeed be the most workable system in a nation of 1,000m people bent on reaching the 21st century at the same time as the rest of the world. China's two-man steering com-

mittee—Party Chairman Hua Guofeng (Bua Kuo-feng) and Vice-Premier Deng Xiaoping (Teng Hsiao-ping)—appears to have acknowledged that a hapsaid: "China's four modernisa- pier workforce will produce tions must be accomplished by more and modernise faster. Hence the unprecedented rein given to common people in China who have used the free press—wallposters at busy city

Demands of any sort are regime, as China's undoubtedly remains, and so far nobody has done much to satisfy the group initiative and enthusiasm of her of 28 young Yunnan people who entire population, the editorial came to Peking to demand the

as holding the new post of secretary-general of the party central committee and as head of its propaganda department

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### Incentives no government can offer.

The two views are not necesissue at the talks will be the SALT negotiations — negotia-tions which have highlighted need for more consultation between the allies.

Union are by all accounts extremely close to finalising a SALT 2 pact but the European Western allies—especially Bonn—fear that agreement will pense of European security. The planned treaty places limits on long-range strategic weapons (like the mobile SS-20) which separate agreement.

defence commentators maintain. Chancellor Schmidt—unlike the to ease the strain that the oil make it difficult for Washington. Soviet leadership—was not crisis had imposed specifically to supply even Cruise know officially informed about the how to the Europeans. All this adds up to consider- diplomatic links with China, a

What the Europeans can do in Guadeloupe today hoping to however is to ensure that like to be more closely informed smooth over some of the SALT 3 which will affect about future U.S. moves to cut differences dividing Washington European security even more the American defence budget. from the rest of the Western directly than the current These could the Europeans Alliance. "Papering over the agreement contains a strong fear have a serious effect on the cracks in NATO" is how one element of consultation between component of the U.S. budget Soviet commentator has des Washington and Europe. devoted to NATO. President cribed the purpose of the sime. The U.S. has promised that Carter has now pledged to include the purpose of the sime. cribed the purpose of the sum. The U.S. has promised that Carter has now product the crease U.S. allocations to NATO trast, view it as an attempt to in a protocol to the new SALT 2 by 3 per cent—as previously trast, view it as an attempt to in a protocol to the new SALT 2 agreed at the London summit—bismorove the communication accord. The former U.S. SALT agreed at the London summit—bismorove the communication accord. negotiator, Mr. Paul Warnke, for instance recently stressed uncertainty in Europe. Euro-that SALT "could no longer pean experts believe that a

assurance and to brief Chancellor Helmut Schmidt, Valery President d'Estaing and Mr. Callaghan on the form of the proposed

Besides SALT, the leaders are expected to discuss a wide gested that Mr. Callaghan and range of international issues Mr. Carter may also meet including the establishment of privately to discuss the U.S. links with Chins, the Rhodesian situation. The Anglo-Iranian crisis and Rhodesia. American plan will be re-French and British officials examined in the light of Mr. stress that there will be no Cledwyn Hughes' recent visit to fixed agenda, no formal southern Africa decisions and no joint communique. The format has been for an informal conference of left deliberately loose so that the four leaders, unencumbered European uncertainties about by the need to follow an agenda U.S. policies can be aired with or produce an agreement, out which will clearly please economic summit in Bonn last President Giscard who prefers July. But President Giscard is

It is understood that the idea

government and should stick By his talk of a regency council -"if the Shah goes"-and the gradual lifting of martial law, Dr. Bakhtiar seems to believe in a step by step return to stability. He has yet to talk of elections. He also appears to be the only opposition politician who thinks that the Shah can be trusted. Regarded by former colleagues as being honest but impulsive, Dr. Bakhtiar says he will do his best. The

Lebanon as the forces at play zone under Unifil's control. They army officer, Major Saad

admitted that their gunboats

are also worried that the main Haddad, who recently ignored group, El-Fatah, may mark its an order from the army com-14th anniversary this week by mand referring him to a court mounting cross-border military martial for collaborating with operations against Israeli towns the Israelis. According to independent has been active diplomatically accounts, the number of guer- and militarily so the vacuum

rillas in the United Nations zone may be filled by legitimate

tinian guerrillas and their it, the UN troops will lose their ments to agree to an extension Lebanese Moslem and Leftist bite. The battalion will be out of Unifil's mandate later this allies. Israeli jet fighters fly of Lebanon by January 19, when month, over the area every day and, in Unifil's mandate is due to The Ministry of Defence has a show of force, often break the expire. A French logistics unit offered to second Lebanese sound barrier and cause sonic of about 500 men will stay on, army units to Unifil, but was Israelis have now present is about 6,000 soldiers, is required. Major General "National Movement."

torpedoed on Sunday what were comprising the Moslem and described as suspected guerrilla leftish militias, has charged in

The Lebanese Government

of about 500 men will stay on. army units to Unifil, but was a formal rationing system. The total strength of Unifil at reportedly told Israel's approval although an extension of the bases outside Tyre. The Israelis a statement that the French Major General Victor Khoury, have been saying also that were turning their positions the Defence Minister and army

### China encourages free speech

In the strongest statement yet There shall be an atmosphere

political democratisation, 'Commandism' and acting on the will

said, urging the development of return of tens of thousands of

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO \$33.02bn at the end of Decem- year. ber, the Finance Ministry an-

foreign exchange market. The absolute level of the

JAPAN'S FOREIGN exchange reserves at the end of last reserves rose by \$10.17bn during month, however, was far higher 1978 to reach a record level of than at the end of any previous The reserves increased by

\$758m in December alone, much nounced yesterday. The rise less than the rise in November reflects heavy intervention by when the Central Bank was more the Bank of Japan in the Tokyo active in support of the dollar. The practice of depositing a por-The 1978 growth in reserves tion of the reserves with foreign was the second largest in Japan's exchange banks and with the history. They rose by \$10.84bn Export-Import bank means, in 1971, the year when Japan however, that the "real" infought—and lost—its first big crease in reserves may have question is: will that be good battle to avoid yen revaluation. been more than the published

### steps up oil search

has so far failed to produce an significant finds, is to be steppe up from the end of the mont shore drilling rig. This was announced yesterda

the Government-owne Southern Oil Emploration Co poration (SOEKOR) as plan were being drawn up b government advisers for th possible introduction of petro rationing in South Africa in th event of a complete stoppage ( oil supplies from Iran. Although government official have been at pains to stress the

are necessary to conserve fuel of

find alternative sources ( supply to Iran, which has pr

vided more than 90 per cent i

all oil imports in the past, then is clearly grave concern ove the consequences if Iran join the existing Arab oil embarg A Blueprint for rationing fu supplies has already been draw up by the Department of Con merce, but a high-powere working party is currently co

sidering all the options for tuconservation before producing ts recommendations on Januar Mr. Tjaart van der Walt, th Secretary for Commerce, said i an interview with the Johanne burg Financial Mail yesterds that the oil companies and th state-owned Sasol Corporation

had already started buying sur plies on the international spi markets. Commerce Department of Lebanese least three months to introduc existing restrictions on petro sales hours could obviously b implemented more quickly

However, commercial stocks

and 6 months' supply, apar

from South Africa's strateg

stockpile of oil, estimated at b

tween 18 months' and three years' worth, depending on th Tate of consumption.

The long-term oil search b
SOEKOR, which has cost almo-R120m (\$138m) to date, has ye to produce any viable deposit although the present offshor rig, Sedco K, did find an "er couraging" oil show on th Agulhas Bank, off the Souther Yao-pang), a victim of the cul-tural revolution and regarded by diplomats as being close to that rig is still drilling on the Agulhas Bank, the scene of 2 out of 31 exploration wells sun

> north-west of Saldanha Bay, o the west coast.
>
> The new rig is capable working in depths up to 1,60 feet, compared with only 80 feet for Sedco K, according t

like British Leyland; Burmah Oil, Hambro Life and W. H. Smith. Simply because no other area can match us for location, communications, facilities and human resources - unique assets

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**Canadians** 

in Peking

for trade

discussions

By John Hoffmann in Peking

TOP-LEVEL Canadian mission

led by Mr. Jack H. Horner, the

Minister of Industry, Trade and

Commerce, will arrive in Peking

on Sunday to lay the ground for

what Canada hopes will be a

significant increase in bilateral

Although it is a simple coinci-

dence that this is the first trade

mission into China since the normalisation of China-U.S. rela-

### Canada raises bank rate to record level at 11.25%

BY VICTOR MACKIE IN OTTAWA

yesterday announced an increase cent from the current 11.5 per been soaring for more than a in the federal bank rate from cent. 10.75 per cent to a record 11.25

also expected to mean fewer reckoned. Canadian jobs in heavy construction and related industries because high interest rates discourage investment in these

The Bank of Canada's rate is the interest charged by the central bank on its infrequent loans to the chartered banks. It signals to the commercial banker the direction in which along. Government money managers

want interest rates to go.

BANK OF CANADA ing their prime rates to 12 per

rate-the charged to the bank's most Canadian dollar to prevent it Mortgage rates and the cost credit-worthy borrowers, which slipping lower against the U.S. of car loans and other consumer are generaly the larger corporaborrowing are expected to be tions—tends to be the floor level increased soon. The move is from which other rates are

> Questioned as to whether the chartered banks might not follow the central bank's lead by raising their prime rates immedately to 12 per cent, Mr. Fred McNel, chairman of the Bank of Montreal said "No, for all sorts of technical reasons the chartered banks have to go

"The banking community is ant interest rates to go. not exactly surprised. We Capadian chartered banks are didn't know when the rate expected to respond quickly to would be increased but we were the central bank action by rais-

Canadian interest rates have year and the principal for each interest rise has been defence of the dollar. The present rate is 84.13

U.S. cents to C\$1. The Central Bank rate began 1978 at 7.5 per cent. It was raised six times during the year, most recently on November 6. High Canadian interest rates tend to make investment flow into Canada, thereby creating a demand for Canadian dollars. The Government disclosed on

Wednesday that it had borrowed C\$300m and had used another C\$259.5m to defend the Canadian dollar by bidding for it in foreign exchange markets during December alone. In total, during 1978 the Government spent about C\$5bn to buy its own currency.

> Air travel has been brought under what is regarded as ex-cessively strict control. Applications for travel have to be bought from Kenya Airways, paid to the Central Bank.

Nigerian Central Bank officials

The scheme was to have

have announced in Lagos.

KENYA HAS began the New made to the Central Bank, with the national airline "because if Deposits of 100 per cent have Year grimly with a massive and the unprecedented provision not there will be situations been set for importing cars of that each application has to be

> Air travel will be limited to travel on business where an

payment in foreign currency.

where travellers change their more than 1600 cc. domestic

All traders now have to to the commercial banks for register the goods they want to deposit payments.

import with the Central Bank. Among goods which can be of Kenya. Allocation of credit imported is to be controlled by the plac- approval ing of deposits before importavary from 25 per cent to 100

· 'All approved licences have to

tions, the 26 business and with unconditional Government experts with Mr. construction machinery for which no foreign exchange machinery for industry financed by foreign medium, or long-term credit of not less than 18 way tickets. Tickets can be per cent of the total value of months: imports which form issued by travel agents and the goods.

foreign contributions to equity airlines to non-residents against

Imports of crude oil and com- in joint ventures. or are paid

and complete plants. Members of his delegation will emphasise Canada's experience and expertise in agriculincluding minerals, petroleum and forestry, and technological areas such as transport, communications and hydro-electric

Mr. A. R. Menzies, the Canadian. Ambassador in Canadian. Peking, said he believed Canada could count on a favoured position in the wheat trade despite the inroads made by the

United States. "I think the Chinese respect long, good trading relations with other countries. Unless

The Chinese would be fascinated by U.S. technology —the ultimate in Western development, said Mr. Menzies. "This attitude will pervade all Chinese thinking. But each

be quick to sort this out." Canada was concerned about

### Flackt wins Mexican order

The order, valued at \$18m, covers eight electrostatic precipitators with a collecting efficiency of 99.4 per cent, for cleaning flue gases from four 300MW boilers associated with coal mined near the power

• The Alabama River Pulp-Company has started production of about 350,000 tons per year of bleached softwood and hardwood pulp at its new mill at Clairborne, Alabama.

### Kenya imposes tough import curbs with strict control on air travel

BY JOHN WORRALL IN NAIROB!

unprecedented programme of exchange reserves.

The clampdown comes after the publication of figures for the first six months of 1978, which showed a trade deficit of about \$274m (2.4bn Kenyan shillings) a position which may not have improved by the end of the year.

Mr. Mwai Kibaki, vice-president and finance minister, blames the unfavourable prices overseas for Kenya's main commodity exports, coffee and tea. and increasingly expensive imports. Some imports like machinery for development are deemed essential, others like expensive cars, wines and spirits are not and are being squeezed accordingly, bringing to a certain end the coffee boom

further erosion of its foreign exchange reserves.

accompanied by a bankers cheque for Shillings 2.000 (Kenyan £100), which is only returnable if the application is refused.

> allotment of foreign currency approved by exchange control, or where evidence is produced to show necessity, for travel for health reasons, compassionate grounds, non-Kenyan employees with contractual overseas leave, for people who have not travelled outside tion is authorised. Depending Kenya in the past two years, for on the products deposits, which students with foreign scholar- will be refundable, they will ships, and emigrants with one

Nigeria puts back inspection plan

tickets to another flight over- refrigerators, washing machines, seas for reconnection or any data processing machines, inother reason," says Mr. Kibaki, cluding computers: cosmetics, Basically Mr. Kibaki wants wines, spirits, cigarettes, shirts, to gather a full record of in- suits and jackets. ported goods to assess what

imports are essential and what are inessential to the Kenya

payment in foreign currency. ponents for the local vehicle for overseas by wholly foreign Commenting on these stricter assembly plants are guaranteed companies: imports of spare ticket controls Mr. Kibaki said approval on payment of a 25 parts for agricultural or they were intended to control per cent deposit. Other items industrial machinery. But imthe resale of tickets issued in at present imported under quuta porters have to give the Central Renya, now a popular practice. allocations are to be permitted Bank details of such items. The controls also cover tickets after a 100 per cent deposit is imported in the previous three

be sent to the Central Bank and the documents will be released to the commercial banks for

> Horner will be especially aware of the heightened competition for Chinese trade brought about by America's full-scale entry to They will be discussing with Chinese officials the supply of services equipment and materials which will bring Canada into direct competition with United States industry. Mr. Horner hopes to persuade Peking officials to look on Canada as a long-term supplier of wheat industrial materials

power generation. opened on or before December 12: (2) If the goods are being

there is good reason to change from traditional suppliers I don't think they will change." Ganada has sold wheat to China for the past 17 years.

country has areas of special knowledge and the Chinese will

the imbalance in its trade with China In 1977 Canadian exports to China totalled \$369m and imports only \$82m. Members of the Horner mission would be exploring ways to redress the

s hit Under a new agreement, Modo-cell, part of the Swedish Modo-pulp and paper manufacturing group will now be able to offer tax concessions, which amount particular region of the country, which Parliament must deal to its European customers about to a hidden subside and have or if the tax concession is with soon will, if passed, give one third (about 100,000 tons) the Finnish Government wide of this type of pulp alongside powers to nurse new establishments not only in the car sector its Bure, Domsjoe and Husum

### Reagan to run for Presidency

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

MR. RONALD REAGAN, the came extremely close to beating former film actor and Governor President Ford for the 1976 of California, is on the verge nomination, and is now taking of declaring his candidacy once several steps to establish himagain for the Republican Party's self as the clear front runner. presidential nomination.

His strategy is clearly designed to pre-empt the possible candidacy of any number of other Republicans known to be interested in the 1980 presidential race. This potential list was enlarged on Wednesday, Gen. Alexander Haig announced he would be resigning as Supreme Allied Commander in NATO this summer, and pointedly did not rule out entering politics.

Although Mr. Reagan will be 69 next year, doubts about his is not too conservative to be intentions to run have been dwindling in recent months. He

now that Mr. Ford has ruled

primaries next year. These steps include the mass mailing of a fund-raising letter, in which Mr. Reagan more or less states that he will be a candidate, the creation, probably late next month, of a formal campaign committee registered with the Federal Election Commission, and a series of appearances by Mr. Reagan and his principal advisers which are designed to convince moderate Republicans that the Californian

The only declared candidate November's mid-term elections.

to date, Congressman Philip Crape, from Illinois has had some success in garnering conservative backing, but it is widely assumed that he would eventually be swamped by a Reagan bid. Mr. Reagan's aides have been taking no chances, however, and have been work-ing to dissuade other prominent Republican right-wingers from

Mr. Reagan has kept himself busy, since 1976, with radio broadcasts and newspaper articles, and by heading a political pressure group called Citizens for the Republic, which contributed well over \$600,000 to Republican candidates of varying political persuasions in

#### end of this month. The delay follows widespread criticism of the measures by exporters to Nigeria. They com-plained that although the scheme was first mentioned in

been published though it is expected soon.

Holland's gas

sales decline

HOLLAND DELIVERED "con-

By Charles Batchelor in

NIGERIA HAS delayed the quality and price of all exports EEC action against the plan is covered by a letter of credit introduction of its controversial to Nigeria, with certain unalso being considered. opened on or before December inspection of named exceptions, would be imports to allow importers time checked before shipment, to adjust to the new system. Observers said the new s Observers said the new system

was to prevent the loss of where importers over-invoiced started on January 1 this year to get around the strict ex-but exemptions have been made change controls. It was also for all goods ordered on or seen as an attempt to slow the before December 12 last year flow of goods into the country and delivered to Nigeria by the which still has major balance of payments problems.

The Department of Trade in London believes the new regulations will further delay the despatch of goods to Nigeria and increase the burden of April, the decree giving details administration on companies of its operation has still not doing business there. doing business there. Britain does more than £1hn

worth of trade with Nigeria

Nigeria has still not clarified transported by ship, and the which goods will remain exempt vessel has left the port of loadfrom the pre-shipment inobjects and occasional gifts will January 31. be excluded.

importer has processed necessary forms through Central Bank.

the transition period were given: in the notice to importers.

ing on or before January 31;
(3) If the transport is by any spection. It is likely, however, (3) If the transport is by any that live animals, fresh food, other means and the goods arms and ammunition, art arrive in Nigeria on or before Under those circumstances. The breadth of goods importers must provide the exempted from the new rules. Nigerian Central Bank with a

may be wider than anticipated, photocopy of the letter of credit however, until an The details of the exemptions pay for goods, and has to be

stating the quantity and value of the imports and a completed Form M, before January 26. The

form is the application by the which will be in operation for completed by all importers. The other exemption is where

a firm order has been placed on A notice to importers from every year, and a protest has the Central Bank published on been lodged in Lagos against the goods inspected before ship- to be delivered on or before December 12 said the quantity.

There will be no need to get or before December 12 for goods the goods inspected before ship- to be delivered on or before December 12 said the quantity.

to the Finnish authorities. Fin-

suggested that the tax conces-

sions may contravene the

anti-discrimination provisions of Article 18 of the Finland-EEC ogreement Moreover, the car

memorandum to the Prime

Minister. They are already suffering from various fiscal and

monetary regulations to discour-

The car trade is always a

action by the Finnish authorities

dealers have submitted

nish press reports have even THE FLAEKT Group, Swedish manufacturers of air conditioning plant, has received an order from Comision Federal de Elec-tricidad de Mexico for a flue gas cleansing unit for the Rio Ascondido power station in the Mexican state of Coahulla.

### NYC loses 'Felix the fixer'

BY JOHN WYLES IN NEW YORK

York City's four-year battle to exploitation of a host of polistave off bankruptcy closes tomorrow with the resignation of of the Municipal Assistance

Working out of a modest intention of casting Mr. Rohatyn office in the Rockefeller Centre loose. An announcement is exheadquarters of Lazard Freres pected that he has agreed to act and despite . Congressional and Co., where he is a general as the Governor's unpaid special approval of a new federal aid partner. Mr. Robatyn has simuleconomic adviser, willing to programme, partly designed taneously played a major role undertake a variety of unspeciand effectively lobbied by Mr. in refinancing New York's fied tasks.

Robatyn, the city is fighting to crippling short-term debt bur-

Chilean team

for prisoners

By Robert Lindley in Buenos Aires

A FIVE-MAN Chilean delega-

tion has arrived in Buenos Aires

to appeal for the release of an

undisclosed number of Chileans

arrested by Argentinian security forces. The arrests were carried

to appeal

tical and business contacts. His value has long been appre-

it is reported today that at average interest rates of Governor Hugh Carey has no around 8 per cent.

den and arranging major deals poration was set up in 1975 as plans of \$458m. New austerity

CRUCIAL chapter in New which he earned by his adept earmarked for debt servicing Under Mr. Rohatyn's leadersbir some \$6bn of debt which was originally due in 12 months has Mr. Felix Rohatyn as chairman ciated by local politicians and been refinanced over 13-14 years

However, the city's budgetary The Municipal Assistance Cor- close a budget gap in its 1979-80

problems are far from solved

### for Lazard's corporate clients, an independent state agency to programmes affecting educa-Throughout he has lived up to and continued to enjoy his nickname of "Felix the fixer," borrow money on behalf of New tional and hospital services are inverted to 90bn cubic metres compared with 1977, Mr. on the fixer, whose revenues were directly soon.

Heavy demand recorded

at IMF gold auction BY OUR U.S. EDITOR

THE LATEST International Luxembourgeoise de la Dresdner although the volume of bids was out amid tension between Argen- below that recorded in tina and Chile resulting from December.

a bitter dispute over the boundaries of the Beagle The IMF announced yesterday that 17 institutions had sub-mitted bids totalling 1.48m oz, It is estimated that there are of which nine were successful 750,000 Chileans residing in in winning the 470,000 oz Argentina, Several members of awarded, at an average price of the Chilean community here have been expelled in recent \$219.34 an ounce.

months, allegedly because their documents were not in order. Leu (Zurich);

Monetary Fund (IMF) monthly Bank (AG) — Dresdner Bank gold auction attracted a heavied than usual demand for gold. Dresdner Bank (AG) of Frank-although the volume of bids was Asia) Ltd of Singapore; Samuel Montagu (London); Samuel Montagu (Metals) Inc, of New York; Swiss Bank Corporation (Zurich); Swiss Credit Bank (Zurich); and Union Bank of Switzerland (Zurich).

In addition, 16,400 oz of gold awarded, at an average price of was sold to the Government of longer period. Holland has \$219.34 an ounce. Paraguay at the average price large contracts with France, The institutions were: Bank under non-competitive bidding Belgium, West Germany and

siderably" less gas to domestic and foreign customers in 1978, according to Nederlandse Gasunie, the national gas distribution company. Deliveries fell

metres compared with 1977, Mr. G. Kardaun, Gasunie's managing director, said in a New Year message to staff. This is/only the second year in which deliveries have de-clined since Holland became a major gas producer in the early 1960s. In 1977 deliveries fell by two per cent. The fall in 1978 as a whole shows some recovery from the position half way through the year when de-

liveries were 10 per cent down on the comparable 1977 period. The changed policies of Gasunie in recent years are partly responsible for the decline in deliveries, Mr. Kardaun said as it tries to reduce the use of gas in heavy industrial processes and electricity generating plant. The major reason though was the decline in sales to foreign customers who have rescheduled deliveries over a

### FINNISH MOTOR INDUSTRY

### Dispute over Saab-Valmet 'aid' BY LANCE KEYWORTH IN HELSINKI

The sharp decline in car imports and the general recession

THE FAVOURED position of the current exchange rate) in EEC countries are known to Finland's only car manufacturer the past 10 years. This works have made clear their positions Saab-Valmet Oy, which has out at a subsidy averaging some received tax concessions since it FM 11,000 (£1,400) per Saab. was established 10 years ago, is arousing growing hostility from car importers and their foreign suppliers.

Saab-Valmet, owned in equal parts by Saab of Sweden and Valmet, the State-owned engineering company. has received these concessions under a law which is due to expire next year, and plans to extend it have been met with considerable criticism.

under close scrutiny in the context of its licence agreement with Chrysler International in August, 1978. A Parliamentary Bill which met which "promotes develop-would enable the Government ment and employment in some to extend the favoured treatment area of activity to a considerfor a further 10 years has led able extent or safeguards importers unevenly, to Press investigations of the economic development in a The new tax concession Bill

in the market, plus the fact that Saab-Valmet now produces about 26,000 units a year, and will begin to turn out the Chrysler 1307 and 1308 as well as the new Chrysler Horizon this year, has aroused the con-

cern of car importers and the attention of the car exporting countries trading in Finland. The new Bill would enable the primary target for corrective tax concessions to be continued The privileged position of and extended to the Chrysler Saab-Valmet has also come models. In fact, the wording of Article Two seems to give the Government wide powers to

industrial plant or plant enlarge-

to a hidden subsidy, and have revealed Government reticence vitally important for society or on the sums involved. Estimates for some other reasons."

A number of Embassies in the total tax relief at about put the total tax relief at about A number of Embassies in FM 700m (nearly £90m at Helsinki including those of the

when the country runs into economic difficulties. On top of the heavy special tax on cars, importers must still pay cash before customs clearance, and the hire purchase terms are These restrictive measures hit countries

but in any other.

The booming U.S. film industry faces the trials of success. Maurice Irvine reports from Los Angeles

### Jaws, Grease and the rising cost of escapism

Hollywood money-machine are worried. And those who buy their wares are fretful.

wood's products.

modest \$50m. Despite the current profit bonanza. six out of ten films lose money. The 1.2bn people who paid that \$2.7bn at the boxoffice over the past 12 months these days," says Mr. Ned Tanen, were drawn by a handful of hits, chief of Universal. :: Advertisrewards are higher, so are risks, and studios must rely on that

spend around \$70m on feature acquisition division chief, Mr. Alan Ladd Jr., a taller, darker version "and they think we should be record not of \$20 and the 1977 of MGM. Studio chiefs are alarmed by of his actor father, took courthe soaring cost of movie-making, and the unpredictability of light. Grease was universally rushing ahead on the wings of today's audiences. And theatre- panned by the critics.

owners are angered by the It is accepted wisdom that in paucity and high price of Holly- this era of falling dollars and It is accepted wisdom that in fast." rising prices, only escapist fare at the field shows, most big • Columbia announced profits 'Films from major companies brings in those "big bucks," but studios could afford to be more at a new peak of \$68.8m. or \$7.40 have dropped by half in the last clearly escapism is not enough. five years," says Mr. Leonard Americans stayed away in droves Goldensin, chairman of ABC Inc. from pictures which had all the "And the fewer the movies, the right. light ingredients Sgt. higher the prices we're being Pepper's Lonely Hearts Club asked to pay." That, he explains.

Band piped to half-empty houses.

Is why ABC last October sold

its 173-cinema chain for a disaster epic, The Swarm, were badly stung. The Wiz, on which Universal spent an alleged \$30m,

were drawn by a handful of hits, chief of Universal. :: Advertise out there," he says. "Better disaster by backing a series of leaving around 200 other ing costs have tripled in five three movies that cost \$15m hit films, was too valuable to feature films in the cold. If years, unions want more, stars want more."

"You can't make cheapies

ploughing money back into Disney profits continue to making twice as many films. But grow at around 23 per cent one success is a way to go broke. Yet, as even a cursory glance from the amusement parks.

creased production not because because they need the product

than one \$15m movie." As for the rest, record or high As for the rest, record or high Columbia's chief executive, It might even increase film of the house. They want somesend studios must rely on that Yet this article of aith, too, is profits are the order of the day. Alan Hirschfeld, who was fired production to ease the pangs of thing they can't get from TV,
big one" to pay for the losers questionable. Up in Smoke, a Warner Bros. appears to have by the board because of his theatre operators, and do the something unique and at the -a Star Wars, with its hymn to the foys of dope-smok- a splendid new super-grosser in strenuous objections to rehiring nation's economy a good turn, same time with a positive out-

annually, with earnings of \$82m last year on \$630m sales.

share, with revenues almost Only Paramount Studios (a doubled to \$575m. Former subsidiary of Gulf and Western Columbia film chief David Industries) is forging ahead with Begelman, ousted earlier this a truly ambitious production year after admitting chequeschedule. With successes like forging and embezylement of Grease, Saturday Night Fever. \$61,000, is now back with the Hearen Can Wait and many company as a top "consultant" more behind him, Paramount and independent producer with and independent producer with president Michael Eisner is in a six-figure salary, and even a expansive mood. "We've in- six-figure bonus under the terms of his former contract. Mr. this is our biggest year ever, but Begelman, who helped rescue the studio from financial

phenomenal worldwide gross ing made for a pittance (\$1m), Superman, which brought in Begelman, recently took up a Almost half the revenue of look on life."

1T HAS been a bumper year for the U.S. film industry. Box-office records have tumbled, gross receipts for 1978 will top previous year), and a string of blockbuster" hits have pulled in even the normally recalcitrant summer crowds.

Yet the moguls who run the Hollywood gross are summed on the Hollywood gross and string of more records.

\$267m. or a Grease, the most is doing roaring business—successful filmed musical ever, —\$40m to date, and going strongly. A raunchy, \$2.5m of the date, and going roaring business—successful filmed musical ever, —\$40m to date, and going release.

\$21m in its first 12 days of new post as a high-level man-American films comes from ware release.

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\$21m in its first 12 days of new post as a high-level man-American films comes from the date, and going warner Bros. Mr. Hirschfield with a \$99m gross bite in its man.

\*21m in its first 12 days of new post as a high-level man-American films comes from the films of agement consultant with abroad, to brighten the U.S.

\*21m in its first 12 days of new post as a high-level man-American films comes from the films comes from the films of agement consultant with abroad in the films films in 1979, a year in which Kerkorian, principal stockholder

> grow at around 23 per cent of Columbia, vows he will not annually, with earnings of attempt to gain control of the \$82m last year on \$630m sales.
>
> Two-thirds of those profits come years." But in Hollywood boardrooms few doubt Kerkorian is plotting to weld MCM and Columbia together in a single company which would rival MCA, the giant of the U.S. entertainment industry. Columbia has endorsed prisingly, since an MGM-Columbia giant, with stock sell-

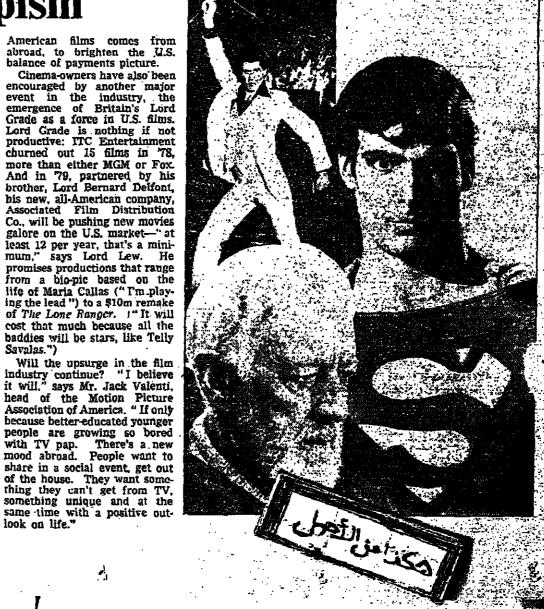
> > company would combine MGM's

stand at about \$22. The new

churned out 15 films in '78, more than either MGM or Fox. Mr. Kerkorian, who is making And in '79, partnered by his a \$42.5m offer for 20 per cent brother, Lord Bernard Delfont, his new, all-American company, Associated Film Distribution

mum," says Lord Lew. He promises productions that range from a bio-pic based on the life of Maria Callas ("I'm playing the lead ") to a \$10m remake of The Lone Ranger. I" It will cost that much because all the 'KK's " tender offer — unsur-prisingly, since an MGM-Savalas.") Columbia giant, with stock selling at \$40 or more a share, could mean a big killing for Columbia stockholders, whose shares now stand at about \$22. The new stand at about \$22.

Association of America. " If only because better-educated younger immensely profitable gambling people are growing so bored interests with Columbia's pin-ball, recording and film opera-mood abroad. People want to share in a social event, get out It might even increase film of the house. They want some-



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### smallpox France in Peling i. Canadian mean ack H. Harner adustry. Trade a M. Arrive in Pale 1 hopes around a hopes in bilate in bilate report

### leak

A MAJOR political row broke out resterday over the leak-ing of the report on the Birmingham University small-per outbreak and the future of research at St. Mary's Hospital Medical School London, the only other labora-tory in Britain undertaking smallpox research, became increasingly uncertain.

While the Department of Health accused Mr. Clive Jenkins leader of the Association of Scientific and Managerial States of a breach of faith for leaking the report, of faith for leaking the report, Mr. Patrick Jenkin, Tory spokesman on the social services, called for a full explanation of the leak and a Labour MP demanded a halt to experiments at St. Mary's.

aren Courans and At 112 deleant The state of the s Mr. Arthur Latham, Labour MP for Paddington, said that in the light of the reports findings on the situation at Birmingham all virus experiments at St. Mary's should be stopped and specimens destroyed or transferred to a place of safety in a less densely populated area.

Last night, the hospital issued a statement detailing the strict health and safety precautions in operation. However, Professor Keith Dumbell, who heads the Paddington research team, made it clear that the future of smallpox research was now a political question and accepted that he might have to abandon work, move within the UK, or

The political wrangle over the leaked report began yesterday when the Department of Health claimed that Mr. David Ennals, Social Services Secretary, had sent a copy of it to Mr. Clive-Jenkins on the clear understanding that, it was not to be published because of pending legal action by the Health and Safety Executive against Birmingham University

Legal advice;

Mr. Ennals, who is at present visiting the U.S., also sent visiting the U.S., also sent copies of the controversial report by Professor Reginald Shooter to the British Medical Association. the TUC, the Executive and two other mions, NALGO and

Mr. Jenkins maintained resterday that he had refused to accept a copy of the report marked "confidential" and had insisted on an unmarked

It had been given to him for his "information and use," he insisted. "I told Mr. Ennals I was going to publish it. He knew what I was going to do. I made my position crystal

Mr. Doug Hoyle, the Labour MP and president of the union, said he had been present at the meeting and denied the leakage had been a breach of confidence.

A Department of Health spokesman said yesterday that he had no knowledge of any Ennals and Mr. Jenkins.

An accompanying letter

sent out with the report said the pre-publication copies were for "information and

But the letter also set out the legal advice given to Mr. Ennals that the report could not be published at that time because of the pending prose-cution of Birmingham University under the Health and Safety at Work Act.
The letter concluded:
"That was, of course, protessional advice given before

receipt of the report and based on what it was expected the report might contain." Now that the report was available, the letter said that

Mr. Ennals was obtaining definitive advice on the earliest date on which it could be published in full or Mr. Patrick Jenkin entered

the row yesterday with demands for a full explanation of the leak.

### Row over Speedy start for Maureen oilfield

BY KEYEN DONE, ENERGY CORRESPONDENT

THE Department of Energy has given the go-shead for the development of the Maureen Field, one of the smaller com-mercial discoveries made in the North Sea.

After several months of nego-tiations the Government appears to have approved the original plan submitted by the Phillips Petroleum group last summer. It has dropped its earlier insistence that Phillips should build a pipeline link to bring the oil ashore, and instead is allowing Phillips to load the oil inot tankers at the field.

Philips had held exploratory talks with British Petroleum on the building of a link to the existing pipeline from BP's Forties Field. But it warned the Department of Energy that such negotiations could delay the field development by up to

a year.
The Government said recently that with self-sufficiency in crude oil production set for 1980, it wished to ensure that future fields were developed to give the maximum recovry ofe all hydrocarbons, including natural gas and natural gas

About 5m barrels of natural gas liquids will now be lost over the life of the field, because the Government has decided to opt

coverable reserves of oil estimated at between 125m and 150m barrels (16m-20m tonnes) and is too small to justify its

own pipeline link to the shore. The approved scheme for Maureen is likely to cost in the region of £350m. A link to the Forties pipeline could have cost an extra £50m.

Dr. Dickson Mabon, the Minister of State for Energy, has decided, however, that the development should be pushed ahead to generate more work for the hard-pressed offshore supplies industry.

mare. Similiar structures have been used successfully in the Luango Field off the coast of Congo, West Africa.

The platform contract should go out to tender soon. The structure could be built at any of four yards in Scotland, but the design could be best suited to the deep-water facilities at the Howard Doris yard at Loch Kishorn on the west coast of Scotland. The steel platform construc-

tion industry should receive a considerable boost this year with orders for structures for the Magnus and North Cormorant Fields as well as Maureen In addition two more fields could come up for development approval later this year, Brae and North West Hutton.

The Maureen Field will be the first oil field developed by Phillips in the UK sector of the North Sea, although it is the operator for the Hewett gas field in the southern North Sea and the Ekofisk oil and gas field in the Norwegian sector. It will continue appraisal

drilling later this year on another find in the UK sector, the Toni/Thelma structure.

The Maureen design is for a The Phillips group includes steel gravity platform, which is Petrofina, Agip, Century Power a new type of structure to the and Light, Ultramar and British

### Rush for grants brings state aid concessions

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

six months to encourage more firms to apply for grants.

mitial response. During the such closing month of December 1978, however, the Department of Industry received a rush of applications. The scheme will now close on June 30, 1979.

applies to plant, machinery and ix months to encourage more equipment only. For projects £2m. The original allocation to rms to apply for grants. involving buildings the the scheme was £5m.

The scheme, announced in threshold remains at £50,000. As the scheme progressed it November 1977, met with a poor The upper limit of £500,000 on projects has abolished

Several of the industry aid picked up significantly during the closing stages. By mid-

THE GOVERNMENT aid it has decided to lower the scheme. The total cost of the scheme to the drop forging in threshold on eligible projects projects for which grants were from £50,000 to £25,000. This being sought was £8.5m, involvantly has been extended for applies to plant machinery and ing possible grants of just over ing possible grants of just over

was learned that its aim of modernised productio nand improving efficiency could often be achieved by the renewal of schemes suffered poor starts but parts of plants rather than the installation of whole new plants. It was therefore decided December the Department had to widen the scope of the The Department of Industry received 43 applications under scheme by reducing the cost also announced yesterday that the drop forging industry threshold.

### Midlands companies' survey shows/orders improvement

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

A SHARP improvement in UK Tax rebates and higher earn- was now on the Government and orders is reported by the West ings had contributed to a boom Midlands council of the Con- in high street spending. But sector.

Midlands council of the Con- in high street spending. But sector.

"sensible" wage settlements On

A survey of campanies repre- be reduced. sented on the council indicated Mr. Rankin said the region a greater level of activity. But was entering a crucial period ing tighter for many companies. Mr. Steve Rankin, the CBI in the pay round. Private comregional director, said yesterday most settlements to around that the improvement might not 5 per cent, plus productivity increase spending on invest-

deals in many mases. The onus ment," Mr. Rankin said.

how it dealt with the public

midiands cornell of the Con- "sensible" wage settlements. On a gloomier note, the federation of British Industry. were essential if inflation was to survey showed exports were becoming increasingly difficult to win and liquidity was becom-

pressed and there are few signs that companies are planning to

### £15m high speed boost for BR

BY LYNTON MCLAIN

BRITISH RAIL is to order 10 quarter of an hour off the castle Executive train. This more 125-mile-pen-hour high- present fastest time.

British Rail originally ordered the trains in 1974 as part of a total order for 42 high-speed trains, but the Transport Department granted permission for only 32.

Six of these started service en the main London to Newcastle and Edinburgh east coast line in May and the balance will start on the same routes this

At least six minutes will be. taken off the present fastest,

hours and 36 minutes, over a pay structure, sub-contracting

and Humberside in the early, of the increase could be attributed to the new trains. on Monday. Other factors included an intensive advertising campaign.

more 125-mile-per-hour high present fastest time. had encouraged British Rail to speed trains, at a total cost of British Rail said last night bring forward by four months that the high speed trains had its early morning breakfast the trains will be used to boosted the number of east special, the 06.38 high-speed improve services on the Eastern coast passengers by 10 per cent. train from Newcastle to Region routes between London Eastern Region said that not all London. The first train will leave Newcastle Central Station

The next stage of British Rail's introduction of the high-But there had been persistent speed train will come late in overcrowding on the 07.32 New-

### Singer verdict soon on Clydebank deadlock

More than a month ago The fastest journey time from workers at the factory rejected London to Edinburgh will be 4 management plans for a new

This followed nearly six the unions and management, which wants to cut more than

of a four-year restructuring

A DECISION on the future of of labour and greater flexibility journey time from Newcastle to A DECISION on the fluttre of of factors in spite of official London. King's Cross, giving will probably be given next union backing of the proposals. This followed nearly six time of 2 hours and 58 minutes. Week by the company. months of negotiations between

2,000 jobs at the plant as part

### Kirkby wants £6m State aid

THE GOVERNMENT hnas been asked for aid totalling nearly

£6m spread over the next three years by the loss-making Kirkby Manufacturing and Engineering workers' co-operative on Mersey-

Up to £2m would be needed during th next six months to repay debts, to pay for 200 redundancies, and to provide working capital. The remainder would cover the cost of modernising the co-operative's main central heating radiator production lines in 1981. The claim forms part of a

proposal, drawn up with the help of PA Management Con-sultants, that envisages the co-operative's making an overall profit for the 15 months to March next year. It is being considered by the Department of Industry whose independent Industrial Development Advisory Board will examine it later this month.

In the past, the Board has advised against most claims for aid by the co-operative. If it does so in this case, the Govern ment will face strong pressure from the Left-wing of the Labour Party to reject the advice and pay the money

About half the money has been asked for in grants, and the rest in loans. But the pre-cise amount needed would de-pend on a number of factors, including the possibility of the co-operative's buying its factory and office buldings for a figure likely to be more than £1m from the owners, International Property Development.

The amount would also de-

pend on the outcome of talks with the British Steel Corpora-tion, which is a main creditor, with some £600,000 outstanding. The co-operative wants to phase the repayment of this debt and also needs to secure the future of a £600,000 overdraft facility with the National Westminster Bank.

At present it is surviving, in spite of losses believed to be running at £20,000 a week, because its creditors are not pressing their claims while the Government is considering the new aid application. One of the most immediate calls a its funds is £60,000 rent due to International Property Develop-

If the co-operative purchased the buildings, it would have this rent. Reducing its labour force by 200 people to 513 would also help it on its way to profitability by saving £15,000 on its wage bill. But it needs about £250,060 to cover the cost of redundancy payments.

### Perkins engines up by 5%

By David Churchill,

PRICES OF a range of diesel and petrol engines and spare parts produced by the Perkins Engines Company are to rise by an average of 5 per cent from

increases have been allowed by the Price Commission as an interim increase while it investigates the average 10.63 per cent price rise sought by the company. The investigation, announced yesterday, may take three months to carry out and until the commission reports to the Prices Secretary the price increase cannot be implemented in full.

Perkins Engines is a subsidiary company of Massey-Fer-guson Holdings and the proposed price rises cover Perkins's range of diesel and petrol engines, reconditioned engines, "short" engines, and parts and optional extras.

In the last financial year, end-ing October 31, Perkins sales are understood to have risen by about a fifth in value to about £370m. But since about 40 per cent of the engines Perkins produces go to Massey-Ferguson it has suffered along with the parent group from the fall in demand for agricultural equip-

The Price Commission's announcement that it was prepared to allow the company an interim price rise at the same time as announcing its investigation into the full price rise is unusual. The speed of the commission's decision is understood to have been mainly due to technical factors.

### Miners fight plan for nuclear power site in coalfield

Dunston, in Gateshead. The present station at Dunston is very much a marginal one, producing around 100 megawatts. plans to extend it to 700 MWs. At the same time it is completing a report on power sup-ply in the south-west, which

is expected to recommend a nuclear power station in Cornwall to supply the region's needs from the late 1980s. Construc-tion of stations to come on stream in ten years' time would have to begin in the next two to three years.

While the new coal-fired station is likely to be uncontroersial—except possibly with ocal residents—both nuclear proposals are likely to cause some protest.

Mr. Sam Scott, secretary of pool, whithe Northumberland area of the station.

GOING UP . . . Mrs. Margaret Thatcher takes a ride in a

jackstay to view the International Boat Show. The lift followed a hint from the Opposition leader that a Conser-

vative government might steer the boating industry to more

sales by bringing down the luxury rate of VAT from 12.5

per cent. When Mrs. Thatcher opened the show, at Earls

Court, London; yesterday, she praised the industry for its growth. It employs 30,000 people and present sales total

£270m a year.

Institutions warned about

WARNING on the dangers of rates, one possible excuse for

was the demands of borrowers

thta dictated such levels and, if

the Government did not need to

borrow so much, then interest

rates would be lower. He rejected charges made

against institutions of refusing

to buy Government securities

ment managers to invest money

that such managers would hold

off buying gilts if they thought

Government was borrowing too

much then interest rates would

He considered that it was a

good thing for the Government

plines. In the absence of such

people's money into its own

certainly rise.

Government or trade union in- Government intervention. It

tions, a topical subject in the until interest rates had been

City. Bunt the real threat was raised. It was the job of invest-

of assets held by the institution for his benefit of members of tions on behalf of members, pension schemes. He affirmed

the myth that institutions could be in an even worse financial

dictate the level of interest mess than it was.

tervention in the investment of

pension funds was given yester-day by Mr. Nicholas Goodison,

chairman of the Stock Exchange.

had been put forward concern-

ing the power of the institu-

the potential abuse by the State

pensioners and insurance policy-

tutional funds, then it would be

a further move along the road to totalitarian Socialism. He,

therefore, urged all pension

scheme members to make sure

that their pension scheme

trustees were independent, and to resist any effort by the

Government to take a hand in

Mr. Goodison also attacked

the management of funds.

Textile group doubts effect of EEC plan

holders.

He said a number of myths

State intervention threat

THE Central Electricity Generat- National Union of Mineworkers, ing Board is considering plans said last night; "Building a to build a nuclear power nuclear power station on a station at Druridge Bay, near beauty spot in the middle of a Blyth in Tyne and Wear—in the coalfield is the stupidest thing heart of the north-east coal- I ever heard of We'll fight it every inch of the way."

The north-eastern area of the Also included in the board's plans for the north-east is a National Coal Board said it renovated coal-fired station at would sek assurances from the CEGB that the power coal burn would not be reduced. Northeastern area produced around 12.5m tonnes of coal last year and the board is considering of which 7.5m tonnes was burnt in power stations. Some £60m has been invested in the area's collieries over the past five years, aimed at keeping produc-tion levels more or less constant.

The CEGB said yesterday that it had no specifications on the size or type of nuclear station it might commission. The proposals were part of a plan which had been developed for the north-east region, and aimed to meet needs from the end of the 1980s onwards.

However, it is possible that the station would be of the same size as the present sole nuclear station in the area, at Hartlepool, which is a large, 1320 MW

> However, the CEGB will argue strongly that the distance of any future station from a coalfield would make transportation prohibitively cumbersome and ex-

### transition 'urgent'

By Paul Taylor

LORD PEART, the Lord Privy

Lord Peart was speaking at

He acknowledged the fears

The main factor affecting employment would be Britain's competitiveness in supplying products incorporating the new technology, but he added, "the one sure recipe for increasing unemployment will be to res-

Lord Peart urged that concern over the effects of micro-

ing numbers of people into con-

"We must take up these chal-If the State took an active interest rates were likely to rise lenges and mould them to the role in the management of insti- and it was in the interests of national benefit," Lord Peart

> The government had an obligation to ease transitional difficulties as far as possible, in part through training and retraining. The government had to be subject to market disci- said, however, that the decision would lie with thousands of disciplines, it could direct other | managers and trade unionists, the hon-specialists, who would coffers, and the country would have to live with computing and who would largely determine

### Unions warned on technology

BY CHRISTIAN TYLER, LIABOUR EDITOR

technology and lose any chance cepts of the purposes of tech- test for unions to apply was to

yesterday advised to launch agerial Staffs, held to explore had been created in Norway, their own research into the impact of new technology on work tion.

promised microelectronic revolution from being "bought up" by management, mesmerised by

it through manuals written by requirements on the basis of touch with the shop floor. computer engineers or em- trade union principles, traditions Referring to the constant cry and their knowledge of working for rapid adaptation to the Professor Kristen Nygaard, a' life. Only then could they hope Norwegian trade unionist and to come to grips with the in-

systems. As an example of Today, the third day of the We are in danger of brain failure to meet technology in seminar, Sir Kenneth Berrill, washing ourselves," he told a time he cited typographers in head of the Central Policy wasning ourselves. The foliate time see cited typographers in flead of the Central Folicy seminar in Bishop Stortford, print unions, who he said had Review Staff, is to speak on the Herts, of national and local developed an alternative social effects of micro-procesofficials of the Association of strategy too late,

BRITISH TRADE unions were Scientific, Technical and Man- He said special shop stewards pact of new technology on work tion.

by management, mesmerised by ing life and not to learn about Unions had to define workers the technology itself, and losing

microelectronic age because of of modifying or stopping systems nology unions in Norway had ask "are we exploitable enough that employers wanted to intro had some success in changing to be competitive?"

ments proposed by the EEC for controlling the growth in textile imports from Mediter-

the need to stay competitive, computer specialist, warned that evitable changes, he said. the need to stay competitive, unions could become trapped by By developing their own con-

#### BY RHYS DAVID, TEXTILES CORRESPONDENT CONTINUING DOUBTS about Mediterranean associates includthe effectiveness of arrange- ing Portugal, which is seeking a breach of the ceiling must be claims, this assurance will also associates, and EEC Commission

ranean associate countries, have the British Textile Con-ranean which have respected been expressed by Britain's textile industry in a letter to Mr. John Smith, the Trade Secre-The UK industry is concerned was accepted in December, that, in agreements reached 1977, by the Council of The UK industry is concerned

shortly before Christmas with Ministers as essential to the Spain, Greece and Morocco, the orderly operation of bilateral global ceilings laid down by the agreements negotiated by the EEC Council of Ministers a year EEC with low cost suppliers. ago on imports of eight sensitive and the less formal underproducts, have been breached, takings negotiated with asso-Talks are continuing with other ciate countries.

main market is Britain

federation, in a letter to Mr. Smith, claims that the concept of global ceilings - limits on imports of particular products into the EEC from all sources—

Dr. Brian Smith, president of countries outside the Mediterconfederation believes, given greater access.

big expansion in its exports of a matter of considerable contextiles to the EEC, where its cern, not only to the industry but also to the low cost quotas set under their bilateral agreements with the Community." These countries will want their limits raised, the Mediterranean countries are

> claimed that the new concessions to the Mediterranean countries were being matched by much tighter enforcement Britain. to ensure that their limits were

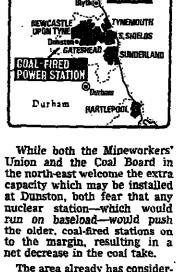
He adds: "Any further observed, but the confederation the case of the Mediterranean

ates. In the case of imports unused quotas, it is feared. from low cost countries in the In a letter to the con- Far East, a burden-sharing the industry is likely to step up federation, Mr. John Smith had formula exists to ensure that its pressure for a new safeguard

No such arrangement exists in individual markets.

need to be closely watched. The lawyers have apparently advised arrangement will only be that to introduce one would be effective, it says, if the Com- against the Community's rules mission and member States act on free circulation. As a result, promptly when the new higher textile industry leaders in limits look like being exceeded. Britain fear a deflection of The industry in Britain is also, trade. After UK quotas had worried by another potential been used up, supplies would be loophole in the arrangements sent to Britain through other with the Mediterranean associ- EEC countries which still had If this proves to be the case,

goods are spread around the mechanism to limit the free Community and do not swamp circulation of imports from the individual markets such as Mediterranean associates, where disruption was being caused in



the older, coal-fired stations on to the margin, resulting in a net decrease in the coal take. The area already has consider able over-production and stock ing of coking coal—for which the Durham field is famous—and faces an even more serious situation if, as is feared, the iron and steelmaking plant at British Steel Corporation's Consett works is closed later this year.

In the south-west, the CEGB's preference for a nuclear station is likely to run up against opposition from Mr. Anthony Wedg-wood Benn, the Energy Secretary, who made clear his preference for a coal-fired station to serve the area last summer. Mr. Benn had earlier vetoed a proposal for an oil-fired station at Insworke Point, near

pensive, and that a nuclear station will be considerably less wasteful of space. Micro-chip

Seal, yesterday stressed the importance of micro-electronics to Britain's future competitiveness. He said that if Britain adopted new technology as fast as its competitors the number of jobs created would outweigh those lost, but warned that to respond too slowly would increase unemployment.

the opening of the British Computer Society's 1979 conference

vhich had been expressed about the employment effects of micro electronics and mentioned the recent study on these effects completed by the Government "think tank," the Central Policy Review Staff. Further research is being undertaken by the Advisory Council for Applied Research and Development, he

pond too slowly.'

electronics or employment should not lead to an ignoring of the social effects, such as the changing pattern of work and leisure. Developments in micro-electronics would bring increas-

tact with computing. Computing would be converted from a "mysterious discipline" into the daily tool of the manager, clerk and consumer. Living with these changes would produce challenges both for the designer of products and systems and for the consumer.

Challenges

members to do so. If the said.



### Accounting link shunned by Fides

By Michael Lafferty

FIDES, the large Swiss accounting firm, said yesterday it would not join a new international accounting group which included Thomson McLintock, one of the largest UK accounting firms, and Main Lafrentz. the U.S. accounting firm with which McLintock is connected.

However, Fides confirmed that it has been a party to some recent discussions with other major European accounting firms. These include Klynveld Kraayenhof of Holland and Deutsche Treuhand of Germany. Both firms are currently engaged in transatlantic discussions aimed at forming a gight new international accounting group which could be bigger than some of the present "Big Eight" international firms.

Another firm which has been considered for inclusion is Revisionsfirmaet C. Jespersen of Denmark. Jespersen is linked in another international grouping, Fox Josolyne Fides, which includes Fides of Switzerland. Fides now says that it intends to develop this group as an al-ternative to linking in some-

Meanwhile, discussions be-tween some of the other main firms concerned continued yesterday in North America.

**DUBLIN CELEBRATES BUMPER YEAR AS TOURISTS TOP 2M** 

### Holiday Britons set Irish record

BY STEWART DALBY

IRISH TOURISM, one of the country's important foreign ex- 1977 was 12 per cent, and the affected Irish tourism. change earners, enjoyed a record year in 1978.

The country received more than 2m visitors, surpassing the previous best year of 1969, when just under 2m. tourists arrived.
Last year the visitors spent
£400m, including fares, which
about equals 10 per cent of
visible and invisible exports.

The Irish Tourist Board estimates that 5,000 jobs were created by tourism last year.

should play a part in helping

to set up small businesses in

decaying urban areas, suggests

Mr. John Biffen, Conservative MP for Oswestry and Shadow

Cabinet member with special

responsibility for the self-

In an article to be published

this month in the journal of the

employed.

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

NATIONALISED industries which the next Conservative

Small Business Bureau, he sets businesses in the decaying out his thinking on the policy urban heartlands.

biggest boost came from visitors

Although the Republic has never been badly hit by violence -there have been occasional bombings—the bad image

administration will adopt on this

to implement policy changes in several Whitehall developments

with the common goal of liberat-

He predicts that there will be

growing interest in the Shell

partnership scheme under which

the oil company fosters small

ing the small business sector.

Its immediate task would be

The increase in numbers over created by Ulster violence has

When the "troubles" began from Britain. At 996,000, the to intensify in the early sevenamenities. figure is 15 per cent higher than ties tourism to the Republic in 1977. The increase from dropped off dramatically, with Britain came about because of a arrivals in one or two years

desire for cheaper holidays
nearer to home, but mostly
because of the seemingly improved security situation in
Ulster.

Although the Permishic has Thora ic hardly a fawn or There is hardly a town or village without an Irish Tourist Board information centre, even if it is only a tavern.

tries?" Mr. Biffen asks.

Mr. Biffen, who is a leading

Conservative advocate of the

free market economy, makes it

clear that he does not want to

see any extension of consumer

protection which, he believes,

bears heavily on the small

State 'should foster small businesses'

the local caravan and camping sites, as well as hotels and

Americans come on their way to somewhere else, or because they are on what has become known as the "Roots Trail." There are more than 3m Americans with Irish ancestry. Last year there were \$22,000 tourists from America.

The rapidly-growing European market is partly the result of advertising obstacles. intensive

"If Shell can do it, why not when there was a hearty This means the market place other giants and indeed, what reaction against much of the and not Whitehall or Brussels role for our national indus-consumer legislation," he says. is the best place for this nation's

The Conservatives were deter-

mined to win the next general

election and use the opportunity to redress the balance so that

there was a greater role for free

"Prices and profit should be free to fulfil their vital func-

These centres give details of campaign to attract those in Germany, Sweden and France interested in camping, fishing hiking and pony-trekking holidays.

Mr. Joe Malone, the board's chief executive, said the improvement could be sustained. this year, but conditions could become tougher. He cited the weakening of the economies in some of the main markets and the impact of increased oil prices and air fares as particular

industry and commerce to be

The corporatist partnership between politicians, big unions

and big business tended to

become a cosy cartel and was foredoomed to failure.

"What Britain needs is an

### Keep pay offers at responsible level, urges Methven

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

A PLEA for employers to make responsible" pay offers and to resist demands for the reopening of deals already struck within the Government 5 per cent pay guidelines is made to sibility and to ensure that pay day by the Confederation of deals in the private sector did

British Industry. In a letter to member companies written at a time when nationalised industries pay offers of 12 to 15 per cent or more are being made in the road haulage and other industries, Sir John Methven, the confederation's director general says; "Employers must continue to show by their actions that their commitment to bringing down inflation is real."

The alternative was a "pay explosion and, with it, not only lower profitability and the loss of international competitive ness, but also the loss of the prospects for the reform of our pay determination system which nust be achieved."

The confederation's pay data bank was showing before Christmas that a majority of pay deals were being struck broadly within the Government's guidelines, although several were being topped up with special rises for low-paid workers and "The time is long overdue need and allocating resources. sovereign," Mr. Biffen adds. with productivity agreements.

Now, with Ford and others offering 15 per cent or more, and with Parliament forcing the Government to abandon its pay sanctions system, some employers fear that they will face strong pressure both for high deals and for existing

agreements to be reopened. "The paramount requirement now is for all in trade and industry to demonstrate that

system of enforcement which Parliament has rejected," says Sir John.

It was essential for employers to "accept their responnot provide a pretext for inflationary settlements in the public services.



SIR JOHN METHVEN: piez to embloyers

"It will also be vital to resist the pressures which may arise for settlements already con-cluded under the guidelines to be reopened. The 12-month rule part of the Government's policy, but also a major factor in maintaining an orderly pay responsible settlements can be maintaining an orde achieved without the unfair round," says Sir John.

### Better liaison between housing bodies sought

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

ARRANGEMENTS to improve requirements and drawing up liaison between housing associa-strategy, local authorities tions and local authorities are should consult the associations. proposed in a report from the Services Advisory

According to the group, some ment authorities view housing associa- prepared. tions with misgivings and make Mr. Reginald Freeson, little use of them although, in Minister for Housing and Conbetween them are good.

The group, made up of in housing, was set up in 1975 provide guidance on the handling of specific issues.

The report suggests that the Department of the Environment association schemes and local authorities should give assurances of their support for associations over a period of two or three years. This would enable associations to plan ahead more easily.
When assessing their housing

They should also invite them to make their own bid for funds when the local bousing investprogramme is

the relationships struction, announced yesterday that the membership of the group is to be widened to extra housing tenants, a trade union member and a director of one of the voluntary housing bodies. Its new programme of work will include a study of housing stocks, problems of organising repair services and security on housing estates.

The report, entitled Housing Associations and their part in Current Housing Strategies, is published by the group. Price 50p.

### Ratepayers 'to foot bill for shoddy housing' BY MICHAEL CASSELL, BUILDING CORRESPONDENT

acording to the latest edition of Buling Design, the construction industry newspaper.

that authorities have inherited houses from new town develop-ment corporations since the war, face bills of over £80m for remedial wrk. Every penny, it says will have to be borne by ratepayers as the Department of the Environment is unlikely

to provide assistance. Building Design lists blocks of flats throughout the country which have been, or are about to be, demolished and itemises

THE PUBLIC faces massive cases where councils face hills bills for repair work on of up to £27m. Most of the shoddily built post-war housing, problems involve leaks and con-

> Mr. Michael Latham, MP. says in the magazine that much of the trouble is the result of lack of funds available in the past government research and testing organisations. He claimed that if they had been operating properly 20 years ago the present problems would have been avoided

"We have got to work towards preventing disasters rather than rectifying them afterwards at enormous expense," Mr. Latham

### Rising demand boosts **Chester Barrie revival**

BY RHYS DAVID, TEXTILES CORRESPONDENT STRONG DEMAND for its high will be further exchange of quality suits in the UK and

overseas—particularly France— is reported by Chester Barrie, the menswear group rescued

from the receiver by Austin Reed last July.

Since taking over the company Austin Reed has built up production again to about 750 suits a week compared with-1.000 a week before the collapse, and it is hoped output can be increased further. At the same time total employment at the Crewe factory—bought for £750,000 and now being modernised at a cost of £250,000 -has been cut from 600 full-

workers around 330, all full time. Mr. Barry Reed, chairman and chief executive of Austin Reed, said they had now passed their first hurdle at Chester Barrie with the successful sale of its spring range, and orders for

the autumn season were also company's plans for Austin Reed include some further restructuring of the Crewe plant to make more

know-how with Austin Reed's American associate, Hickey Freeman, which has a similar high-quality suit manufacturing operation. Management at Crewe has also been substantially strengthened. On the continent the com

pany has built up its representation in Paris in a number of important outlets, and has had some success in France and Belgium in attracting customers local for a British made, if not Savile Row, suit. The Chester Barrie group's other brand name, Simon Ackerman, has been more widely used in the past in France, but it is now planned to give the Chester Barrie name more exposure as

Radio £6m ahead

NOVEMBER tevenue to In dependent Local Radio was £3,52m, bringing the total for the year to date to £26.5m. This -compares with £20.8m. effective use of space, and there



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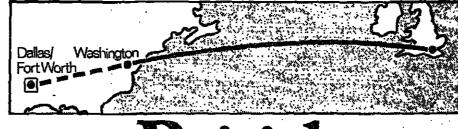
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airways **Concorde**  BY ALAN PIKE LABOUR CORRESPONDENT

A CALL to miners to prepare also wants other benefits, includto fight hard for their union's ing a shorter working week, and
looming pay claim of up to 40 demands that the entire deal that it will be unveiling another shire was president of the are expected to start next month.

of enforcement

as essential is to except their the private some order to ensure the private some of the private and to ensure the private a pretent of settlement the private and the private

JOHN METHIEL

will also be vide

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Mr. Scargill said that in the next few weeks miners had to decide whether to "put up or shut up." They must either "stand firm over our current wage claim or pack up and go

increases for other grades. It private sector.

director and chief executive,

said in a letter to Mr. Albert

Booth, Employment Secretary, that he believed the priority in

any attempt to settle the prob-lems should be "realistic.

negotiations."

These were "urgently required" if publication of the

group's newspapers was to start

dispute conveyed in a letter to

COMPANY NOTICE

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA

BY PAULINE CLARK, LABOUR STAFF

per cent was issued yesterday should last for only eight claim which will challenge the by Mr. Arthur Scargil, York months. Detailed negotiations five per cent guidelines early

National Union of Mineworkers month.

The miners present one of the potentially most serious threats to the Government's fiopes of NUM members must make their of the 1974 Houghton award retaining some credibility for NUM members must make their of the 1974 Houghton award wolces heard. "The day of the serious in the public exploited miner must come to that the Department of the Scargill said that in the am end now Our living Education salaries index already showed that this would need standards are not going to be eroded any further."

public sector group which will challenge the Government's efforts to maintain a pay policy The cution is seeking new in areas where it has direct analysing the results of the rates of £110 per week for coal influence despite the collapse civil servants' pay research on the workers and proportionate of its sanctions campaign in the which civil service unions will

restrictive practices, half night workings and "other customs to

which the Inland Revenue has

past, had pointed out the

and over-manning had to be

benefits that could be obtained from new technology without injury to the immediate or long-

recently drawn attention." Mr. Hussey said the Royal Commission, like others in the

Times rejects inquiry call

nology by rejecting a recent inquiry into the national news-

Mr. Duke Hussey, managing grossly overstaffed with many

again after having been term interest of workers suspended for more than a "fundamental profilem" was

Mr. Hussey was responding that some chapel and union to a call for a new initiative to negotiators were refusing to break the deadlock in the accept that restrictive practices

dispute conveyed in a letter to
Mr. Booth from Mr. Jacob

Ecclestone. Father of the
Times' National Union of settle these problems that are
Journalists' Chapel (branch urgently required to achieve
leader) earlier this week. The aim which we all share—
Mr. Hussey questioned the the republication of our newspurpose of a further independent.

purpose of a further indepen papers.
dent inquiry after the examina. The number of groups to have

tion of the newspaper industry, reached agreement on the

THE HASHEMITE KINGDOM OF JORDAN JORDAN ELECTRICITY AUTHORITY

SOUTH JORDAN TRANSMISSION DEVELOPMENT, STAGE I

Education salaries index already showed that this would need "at least 20 per cent to keep up with the average increase The miners are not the only in the pay of non-manual public sector group which will workers since 1974."

Teachers' leaders which civil service unions will also be basing big claims.

### **Construction union issues** warning of demand for employee registration

BUILDING WORKERS will treated "in the most casual press for compulsory registra- way" with little guarantee of tion of employees and companies continuity of employment. in the industry if employers

yesterday. secretary of the union, said it scheme in motion." almost seemed as if delays were being created in the hope that a scheme for all employers and Conservative government would employees in the industry as be elected before the scheme central to increased efficiency properly began.

of Building Employers. Mr. in line with other industries. Wood said he doubted whether

He said: "The time given for persist in delaying the introduct he implementation of the

tion of a voluntary scheme, the voluntary system of registration Union of Construction, Allied is rapidly running out. There Trades and Technicians said is now no excuse for delaying any longer the appointment of Mr. Les Wood, new general the necessary staff to set the

The union sees a registration and for improving safety and After a meeting yesterday other working conditions. It with the National Joint Council would create a stable workforce

Mr. Wood suggested that the even a Conservative government industry's holiday with pay would want to see the industry scheme employers' register continue on its present basis. could be used as a basis to build The workforce was in the main up a comprehensive register.

#### Pay incentive for skilled workers

can from this week receive four where there is a serious labour tax-free payments of £125 in shortage.

SKILLED WORKERS in some domestic electrical appliance key industries who are un-industries, is designed to help employed or face redundancy skilled workers move to areas

addition to other grants under a trial year-long scheme launched by the Manpower Services no pay limit for the job. Workers may also claim for The scheme, which will affect existing Employment Transfer

### Midland Bank opens branch at Ford plant

By Our Labour Staff

MIDLAND BANK said yesterday that it has now opened its " in plant " branch at Ford Motor's Halewood factory.

This will provide full bank-ing services for all factory employees from noon until 6 pm on Thursdays, noon until 5 pm on Fridays and from 10 am to 3 pm on the other three weekdays.

The bank, which has been looking at the possibility of introducing similar operations elsewhere, reached agreement on opening hours at the branch with the National Union of Bank Employees and the Association of Scientific, Technical and Managerial

Midland has recently concluded national procedural arrangements with the two unions. The arrangements are identical but separate and pro-vide for negotiating and consultative machinery covering a wide range of issues includ-ing pay and conditions of

The bank is providing further resources and facilities to the unions, including

### Civil Service union in pay fight warning

BY PHILIP BASSETT, LABOUR STAFF

THE CIVIL and Public Services permanently Association, yesterday warned the Government that it would be prevented from governing if it refused to implement the results of an independent pay

Some Civil Service unions expect to open negotiations with the Civil Service Department next week on the reports of the Pay Research Unit. First reports showed that the Government may be faced with 25-30 per cent claims.

Mr. Ken Thomas, general secretary of the CPSA, the largest Civil Service union, said yesterday that a decision by the Government to stick to its 5 per cent limit for civil servants against the evidence of outside comparisons "could only be justified by a blind and foolish stubbornness of hanging on to a policy even when it lies shattered before them."

The union, in its monthly journal, points out that the effectiveness of the administration of Government policy depends on civil servants.

Government disregard of that over two decades had forced civil servants into confronta-

damaged relationship.

There was an unprecedente degree of unity between civ servants for the "impending battle" over pay. A £1m figh unit study into Civil Service pay. ing fund has been set up to bac

the campaign. Civil servants were now di playing a readiness to say We will no longer be th scapegoats and the victims of Government economic policy This time you will listen, or v will prevent you from govern

#### **Obligations**

The union said civil servant had stood at the end of th wages queue for long enough The Government would have t meet its obligations "or w will bring their administratio to a halt."

The union will begin holding mass meetings next week i work time without approval t get full support for a pro gramme of industrial action. Members of the Society of

Civil and Public Servants, th second-largest Civil Service union, have already beld mee ings and received 95 per cer

#### Newspapers yesterday re recently completed by a Royal 19 yesterday when photoinforced its stand in the Commission. Technicians in the National present dispute over new technicians out that every the construction equipment, Scheme grants, including fares, additional seconded representdiesel engine, pump and valve, a disturbance grant, removal food and drink machinery and expenses and a settling-in grant. Graphical and Media Personnel ation for both clerical and appeal by its journalists for an paper industry had indicated completed negotiations. independent inquiry. that, in many areas, it was

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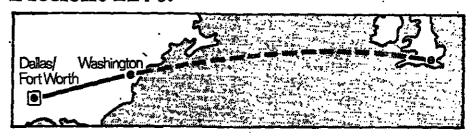
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### Rents hold the key

stable throughout 1978, despite particular) funds to keep the rising interest rates. Institu- market ticking over. quality properties have been bought to show initial returns as low as 4 per cent in a year when there was a six point rise in the level of Minimum Lending Rate, to 122 per cent, and an increase in the return on 21 per cent Consols from 10.67 per cent to 12.63 per

Healey and Baker's first prime property yield chart of the new year published today, shows just how stable the property investment market has been in the year. And the firm argues the simple three-fold explanation of this stability that has now gained general accept-

Faced with higher and rising yields on alternative investfund managers have been willing to accept low property yields because of high rent growth expectations: the simple weight of institutional funds in search of a home: and the acute shortage of suitable

There is no doubt that in 1973 shop rents powered ahead (by as much as 30 per cent annual compound in the finest trading positions, according to H and B). At the same time industrial rents, and the very best Central London office rents also staged an unquestioned recovery.

There are precious few properties on the market at the moment that rate a second glance from the major financial institutions, although the

PURCHASING YIELDS for continual process of portfolio the past And that longer term prime commercial property in sifting provides a cascade of big scarcity of new buildings helps stayed remarkably fund rejects for small (or less

> This shortage channels the ever rising flood of investable money towards fewer and fewer properties and helps to keep buying yields competitively

But as Development Land Tax makes it barder to justify new developments, the present shortage of prime properties is

2½/Consols

Industrial

Shops

scarcity of new buildings helps the argument for a glowing and both the "buy it while you can"

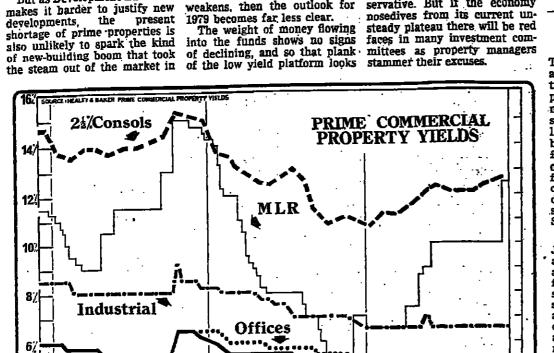
This explanation of the per-

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secure. The scarcity of suitable properties also looks a long term problem dispite minor forays financing. The one possible weak link in

to justify low buying yields on low yielding future for the property investment market is argument and on the more the outlook for rent growth rational argument that fewer Buying on initial returns of 4 modern buildings mean higher or 5 per cent imply annual rent rents. year. On past performance that formance of property yields last is not an impossible growth year is straightforward and target. And if the economy suris not an impossible growth plausible. But if any one of the vives election year unscathed, three elements of this argument such growth rates may look conweakens, then the outlook for servative. But if the economy



### Hay's Wharf-end of a dream

PUBLICATION of The Propsupport a F6.8m surplus over rietors of Hay's Wharf's 1978 the 1977 figures, London Bridge accounts this week marks the Properties has been formed to end of a redevelopment dream hold all the group's investment dating back to the early 1950's. The stockmarket's favourite "hidden asset" stock outlived the last of the development options granted on its site on hold from the City Corporation, the South of the Thames (between London Bridge and London Bridge Developments. Tower Bridge) when its agreements with Argyle Securities' concerned that revaluation is finally lapsed in September. their first sight of the real value

properties apart from the key Tooley Street and Chambers Wharf site by the Thames. This is now held in a new subsidiary, As far as shareholders are

The group has taken this of the group's development Further sales will be made opportunity to reorganise and land. Development Land Tax easier now that six and a half revalue its property holdings. and planning delays have killed Jones Lang Wootton valued the hope value that, in October the whole of Hay's Wharf's properties on an open market excitedly of a "£300m plus". basis at £19.5m, enough to scheme for the 381 acre Thames-

Instead, the company now believes that JLW's valuation gives a realistic idea of the attributable worth of the land. Not that the site has lost its development appeal. Since 1973 Hay's Wharf has been able to

supplement its now thriving trading business with \$3.3m cash from the sale of 3.5 acres of land west of London Bridge. years after the company sold a 135 year lease to the Property Services Agency for £1.6m to

Overseas properties, which chipped in 58 per cent of 1977's revaluation. The falling accumulated on EPC into an Canadian Dollar will have understandable offer document.

be undertaken in London since

the Great Fire of 1666."

Portsmouth Only seed money and at cost) book worth of would be committed to these £89.7m., to £110m gross, £93m. approach supports an estimate of 397p a share of net property financing partners. But if only a share. Even discounting any part of this development pro- improvement in the rest of gramme materialised TW would TW's business since 1977, such TW's business since 1977, such as well stay for the fight. a revaluation would boost group assets per share to 580p, 157p

Financial Times Friday January 5 1979 side site. This was described as complex, the Government body "a plan for the largest and most has finally started work on the exciting commercial project to building. When that work is be undertaken in London since completed in the early 1980s the Southwark structure plan, which recognises the need for commercial development of the site, may at long last become

#### In Brief . . .

a reality.

HONEYMAN, English Property Corporation's chairman and chief executive, compares himself to a batsman. padded and ready to drive N V Beleggingsmaatschappij Wereldhave's 37p a share bid out of sight. But it will be a week or more before the market build a new Crown Courts gets the chance to see Mr. Honeyman in action. The Dutch bidder and Morgan Grenfell, its adviser, are expected to take that time to render down the patchy contribution to the 1978 mass of information they have

> trump card in this first round with its power to commission a portfolio revaluation, an option it looks certain to exercise.

What then? Well, the stockmarket appears to be settling down for a lengthy and heated bid battle between Morgan Grenfell and EPC's champion, Samuel Montagu. As long as EPC's shares, and the Canadian quoted Trizec Corporation's stock remain out of reach of Wereldhave's offer by just a hairsbreadth, shareholders may

Property Deals appears on

### Unveiling TW's strength

TAYLOR WOODROW'S next accounts, due in a few weeks' time, are likely to show net property assets alone worth nearly as much as its current share price. And by the early 1930s the property side could be worth comfortably more than 52 a share. This bullish view of TW's asset strength emerges of the accumulated on EPC' into an acc construction group's property divisions by Fred Wellings, of

follow Laing's example, by splitting its property and con-struction businesses, this assets after the group's five year revaluation at the end of 1978. and a forward estimate of around 512p a share after com-pletion in 1983-84 of the 280,000

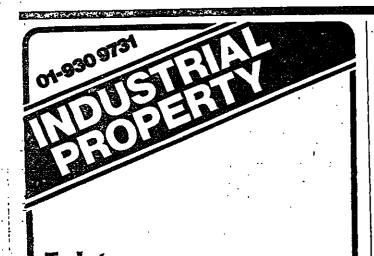
erty expects net rents on the scheme could be worth £7m against a of to contribute around £4m to book value of £5.7m; and the A £41m a year and support a £70,000 sq ft Arts-Loi block in net worth of £55m.

Elsewhere in Pritain TVI to Pent a could be worth £1.7m from a detailed analysis of the all internally financed, he Scrimegour.

Mr. Wellings has applied the John Laing "divide and grow" approach to TW's accounts. And although TW has no plane to

0.2m to 0.3m sq ft town centre Scrimgeour sees the overall schemes in Bromley, Hounslow, effect as a rise in a value of Crawley, Bournemouth, and TW's portfolio from a (1973) make a spectacular break with etion in 1983-84 of the 280,000 the relatively passive develop-ff World Trade Centre at ment stance it has maintained since 1974.

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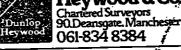
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#### INDUSTRIAL/WAREHOUSE WALTON-ON-THAMES, SURREY

Marlborough announce the acquisition of an industrial/warehouse complex of approx. 50,000 sq. ft. plus some 12,000 sq. ft. of offices at Walton-on-Thames. Enquiries are invited on this existing space prior to substantial refurbishment.



INTERNATIONAL ORGANISATION WISHES TO PURCHASE FOR OWN OCCUPATION 8,000 Sq. Ft.

FREEHOLD/LONG LEASEHOLD OFFICE BUILDING IN SOUTH EAST ENGLAND

Details to be submitted to retained surveyors

### Bernard Thorp

BUCKINGHAM PALACE ROAD, LONDON SW1. TEL: 01-834 6890 for the attention of N. B. Whitshead

### **U.S.A. INVESTMENT ADVISOR**

Lawyer and Real Estate Broker with over 20 years background advising corporations, banks, insurance co's, and individual investors, presently representing foreign buyers seeking U.S.A. investments of all types. Excellent references. Let us help you. Send for

> Roger I. Lippman & Associates 3425 W. Dempster Skokie, Illinois 60076, U.S.A.

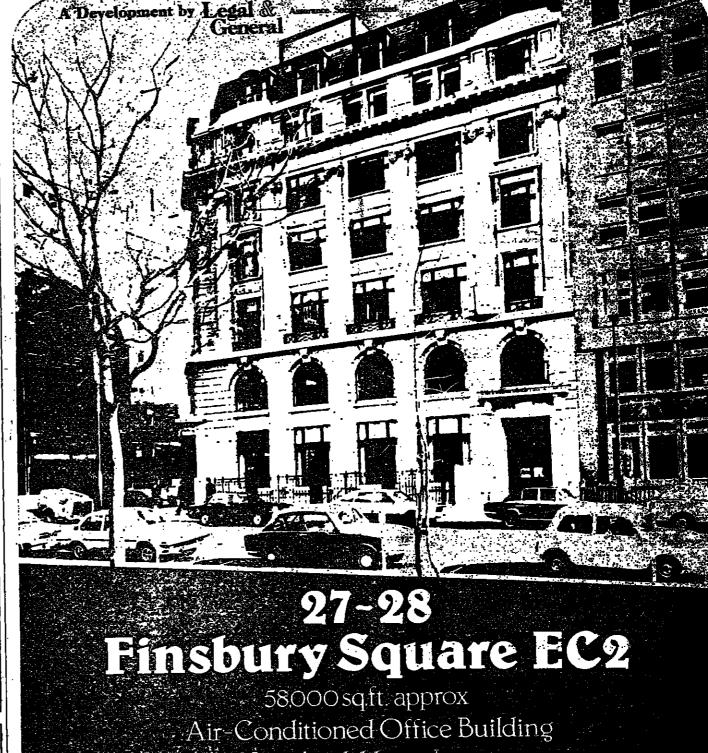
#### MOTOR HOTEL Toronto, Ontario, Ćanada

Highly successful prestige 120-room Motor Hotel on new Cloverleaf, additional adiocent investment acreage available. Contact: Mr. K. H. Cereane. Chartered Accountant. 3625. Dufferin Street, Suite 507. Downsview, Ontario. M3K 122.

#### SUFFOLK COAST THORPENESS

The freehold of ABOUT 5½ ACRES of land with residential development potential; available in two separate but closely related parcels in the centre of this favoured seaside village. Perticulars from the Sole Agents. FLICK & SON

Saxmundham, Suffolk (Tel: 3232-4)



Now Available on Lease

SOLE AGENTS

NEWCASTLE UPON TYNE

#### Residential Building Land for Sale with Outline Planning Permission

Located close to the eastern boundary of the City and extending to 14 acres or thereabouts. Frontage to an Estate Road completed to adoption standard by the Vendor. Foul and surface water facilities and all other public services available up to the site boundary.

The land is to be sold by Tender and offers by way of formal Contracts are to be received by 5 p.m. on Friday, 26th January, 1979.

Tender Documents, Forms of Offer and Particulars of Sale can be obtained from the Agents:-

#### HINDMARSH AND PARTNERS

Chartered Surveyors, Land and Estate Agents 107 Northumberland Street, Newcastle upon Tynes (Tel: Newcastle 610081)

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**Major Commercial Organisation** 

IMMEDIATE OCCUPATION 35,000-40,000 Sq. Ft.

requires for

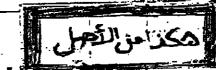
**GOOD CLASS** 

OFFICE ACCOMMODATION within 5 minutes' walking distance of Covent Garden

FREEHOLD, LEASEHOLD, ASSIGNMENT

OR UNDERLETTING CONSIDERED

PLEASE RING: 01-438 2388



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Page 9

Town Centre. 21,000 sq.ft. (units from 5,000 sq.ft.) Available Now

Town Centre. 55,000 sq. ft. Prestige Block. Autumn 1979.

### **Office Sites**

Town Centre and campus. Up to 50 acres. Serviced. Available Now.

# Telord

Ring Mike Morgan 0952 613131

# Chestertons Decentralised Offices

9 Wood Street, Cheapside, London, EC2V 7AR 01-606 3055

To Let. 83,000 Sq. Ft. Modern Office Building, Aylesbury Town Centre.

Impressive Entrance. Lifts. Central Heating; extensive car parking available.

Low Rent and Immediate Occupation.

Chesterions, Chartered Surveyors. For all your property needs

### Kilburn, M.W.6

DISTRIBUTION CENTRE AND Workshop, Showroom & Offices

### Freehold for Sale

★ Close to Brondesbury Park Station \* Easy reach MI & M4 ★ Good Access to West End

TOTAL AREA

35,000 sq. ft. approx.

**Chamberlain** 

FACTORIES AND

HIGH WYCOMBE (Central) Factory ware-house and office building—32,000 so ft approx, available as a whole of in parts either treehold or to let. Staphen Galloway & Associates—01-959 5935.

DXBRIDGE. Freehold ShoplOffice[Ware-house Investment. 15 yr. F.R.I. Lease from January 1977 at £4,250 pa.x. ris-ling to £6,250 pa.x. ris-ling to £6,250 pa.x. ris-ling to £6,250 pa.x. in 1987. For Sale, £85,000. FARR BEDFORD. Uxbridge .56522.

RUTLAND GATE

KNIGHTSBRIDGE SWI

Freehold Vacant Possession 4 Bedrooms, 2 Bathrooms, 2 Recep-tions, including large sun loungs, patios, roof garden, garage. Offers Invited

WHITMILL PRESCOTT, 36 Eder St., London E1. Tel: 247 7356

RUTLAND GATE

KNIGHTSBRIDGE SW1

Freehold-Offers Invited

Freehold—One's Invited

8 FLOORS (4 VACANT) WITH THE
PROVINSED ANDITION OF A PENIHOUSE Embassy or residential
user. Suitable for conversion into
7 large flats.
WHITMILL PRESCOTT,
36 Eder St., London El.
Tel: 247 7356

PHILBEACH GARDENS SWS

Overlooking Gardens

Offers Invited

12 LINDHELD GARDENS

HAMPSTEAD NW3

Freehold-0.39 of an Acre

RESIDENTIAL PROPERTY

WAREHOUSES

SHOPS AND OFFICES

HALE HOUSE, GREEN LANES, LONDON N13 5TG 01-8824633

INTERNATIONAL PROPERTY

### SINGAPORE

INTERNATIONAL CLUB to cater for 5,000 members WE ARE INSTRUCTED TO NEGOTIATE AN OUTRIGHT SALE OR A JOINT VENTURE DEVELOPMENT OF AN INITIAL AREA OF EIGHTEEN ACRES

A MEMBERS CLUB, registered under the laws of Singapore, is ole for inclusion in the project

DEVELOPMENT OR PROMOTIONAL ORGANISATIONS are cordially invited to discuss this project in strict confidence with the sole selling agent and development consultant

> JOHN M. CARTER Chartered Surveyor 119 Devonshire Road, Singapore 9 Republic of Singapore
> Tel: 2352082 - Telex: ASTRACO RS 22041

### OWN A **HOLLYWOOD MOUNTAIN-TOP**

A beautiful, one-of-a-kind mountain, towering high above the famous Sunser Blyd, next to Beverly Hills, Calif. Twenty prime scenic view acres with plenty of room for a large estate, pools, tennis courts, guest houses and terraced gardens. Or can be sub-divided as investment property for twelve or more

distinctive private homes. 5750,000 (US) See this property.

Contact: Mr. Temple (213) 651-3174 or (213) 656-8117 P.O. BOX 48695 LOS ANGELES, CALIF. USA 98048

SHOPPING CENTRES IN US.

wo properties for sale in the Cash on Cash return at 8%. Contact for additional details. Mr. Brian Selbo. c/o International Income Properties Corporation, Dallas, Taxas, U.S.A. 214/696-2977.

Planning permission has been granted for 9 two-room, K & B; 2 three-room, K & B and 1 bed-shter, K & B. WHITMILL PRESCOTT, 38 Elder St. London El. Tel: 247 7356

SOUTH FLORIDA LAND Three parcels of land 350 to 6,000 acres. ALL CASH.

At a density of 140 to the acra
would allow 49 habitable rooms.
There are 8 flats consisting of 20
habitable rooms which have been
sold. Offers invited.
WHITMILL PRESCOTT,
36 Elder St., London 21.
Tel: 247 7356 Contact: ROBERT M. COUF, Broker. 220 S.W. 9th Avenue. Hallendele, Florida, U.S.A. 33009. (305) 454-2035.

### Why is Clwyd ten times more interesting?

Enquiries about industrial and commercial expansion in Chwyd have increased 10 fold over the last two years. Why? Because with its full Development Area status, its large, multi-skilled workforce, proximity to major markets and national/international commnational/international communications networks, this progressive Welsh county dominates the regional development scene. The news in Chwyd is about sales, not strikes – and it's a great place to live too.

Talk to us about the lowcost sites, the factories and the extensive financial aid available to incoming industrieswe'll make you a deal you can't rufuse.

Contact Wayne S. Morgan, County Industrial Officer, Clwyd County Council, Shire Hall, Mold (tel. Mold 2121) for free colour brochure.

On instructions from Rushmoor Borough Council FARNBOROUGH Hants.

#### FREEHOLD RESIDENTIAL BUILDING LAND about 3.35 acres

12 dwellings per acre FOR SALE BY PUBLIC AUCTION 20th February, 1979

Full details from: PEARSONS Clock House, Farnhorough, Hants. Tel: Farnborough 41122.

> **OFFICE** BUILDING

4,300 sq.ft. TO LET Bairstow Eves.

E.C.2.

### PROPERTY DEALS

### Shrinking space

AVAILABLE office space in the City of London has fallen to its lowest level for 31 years according to Richard Saunders and Pariners' latest floorspace review. For the first time since mid-1975 there are less than 4m square feet of offices on the market, with 1.73m square feet in the central area and 2.1m square feet in the City "fringe" areas. Despite a marked slowdown in lettings in December, the take-up rate for City offices remained high in the second half of the year. Between June and December a monthly average of 189,000 square feet of offices were taken off the market in the central area, and 184,000 square feet in the " fringe."

FLUOR, the U.S. engineering group that released 180,000 sq feet of City and West End offices following its £3m a year letting of British Rail's Euston Centre last year, is now ready to carry out its secondary office reshuffle in Manchester. Fluor, advised by City agents White Druce and Brown, recently completed the purchase of the former Coldstream House block in Trafford and will be moving its staff from a net 59,500 sq feet of Peel House in Eccles. White Druce and Brown and leading Manchester agents Dunlop Heywood are now offering the remaining 15 years of Fluor's lease on the space for £120,000 a year, just under £2 a sq foot.

Peel House, started by Morsyn Development of Nor-wich in the early 1970's and completed by the developer's £350,000.

banks, lies at the start of the M602 link road that joins Manchester to the M62 and

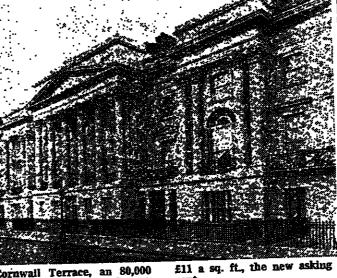
main M6 motorways.

Back in the City it is believed that Fluor now has a firm offer that Fluor now has a firm of the fluor now had been seen that Fluor for the largest of its surplus buildings, the 69.250 sq ft Finwell House at 26 Finsbury Square, EC2.

BRITISH LAND agreed to a ren-

tal guarantee on its part-empty 96,800 square feet "Les Trois Fontaines" office scheme at Cergy Pontoise as part of its FFr 26m (£3m) sale to a consortium of French institutions. The sale, agreed in the summer, gave the four investing funds a return of around 10 per cent on the then 70 per cent let block, which was renting for between FFr 330 and FFr 340 a square metre. Commercial space in Cergy Pontoise, one of the five new towns arranged around Paris, is now being occupied steadily as is the remaining space in British Land's block. Weatherall Green and Smith, and Richard Ellis acted for the group, which sold to a holding company set up by the French funds in a direct co-ownership arrangement where each of the four investors has taken an exact quarter of the block in terms of yield, covenant, and bricks and mortar.

• SPILLERS is understood to have sold its former bakery site on the Maindy Road, Cardiff, to the motor components group Bearmach (London). The 62,750 sq ft of industrial buildings, marketed by Debenham Tewson and Chinnocks, raised



Cornwall Terrace, an 80,000 sq. ft., £3m refurbishment gamble for the Crown Estate Commissioners in conjunction with Haslemere Estates has paid off handsomely. When refurbishment work was completed 18 months ago Edward Erdman's £10 a sq. ft. asking rents were £2 a sq. ft. above the market rate for the Regents Park area. But the market moved into line with the asking price and, after a first letting at just under £10 a sq. ft. in November, 1977, the Crown and Haslemer have now let all but 10,900 sq. ft. of the offices at up to

fussy about the tenants for its building, which is one of the key parts of the processional route designed by Nash for the Prince Regent at the beginning of the last century which forms the architectural link between the Regent's London home at Carlton
House, St. James's and his
"new" Regent's Park on Marylebone Fields. Current occupants include British Land, and Unigate.

### **SELF CONTAINED OFFICE BUILDING**

20 minutes from Liverpool Street Station (Central Line)

21,000 sq. ft. approx. TO LET

Cuthbert Lake & Clapham Drew Gibbins & Pearce 9 Stone Buildings Lincoln's Inn London WC2 01-405 1953

Major distributors require: approx. 8-10,000 sq. ft. warehousing and approx. 1,000 sq. ft. offices

> Rent, lease or freehold purchase. Full details to:-G. S. GERRARD LTD.,

10, Argyll Street, Oxford Circus, London W.L. Attn. L. D. Conquest

REQUIRE

Heathrow

Sites, as well as buildings vacant now, will be considered, to buy or lease.

the property as their European Division H.Q.(C141)

TAYLOR ROSE LONDON WIX 3FA 01-492 1607

### TAYLOR ROSE

office

largest multi-national companies, who will occupy

20,000 + sq. ft.

Our clients are one of the

### Mr. Calin Hope

ary 1. Mr. Nairn will be moving ary 1. Mr. Nairn will be moving to London to carry out special assignments for Sir Campbell Fraser, chairman of Dunlop Holdings. Both Mr. Nairn and Mr. Hope are directors of Dunlop Limited, the European operating company of the Dunlop Group. Within a few miles of

resigned his office and has left the Board. He will continue to the Board. He will continue to be employed by the company until such time as he has completed outstanding commitments. Mr. M. G. Phillips. chairman and joint managing director, has been appointed sole managing director whilst continuing as chairman. Mr. J. Miller has been appointed chairman of the merchanting divi-

27 ALBEMARLE STREET

### FINANCIAL TIMES SURVEY:

### INDUSTRIAL PROPERTY

MONDAY, 5th FEBRUARY, 1979

The Financial Times is planning to publish a Survey on Industrial Property. The provisional editorial synopsis and date are set out below.

- 1. INTRODUCTION 2. INVESTMENT
- 3. DEVELOPMENTS
- · 4. INDUSTRIAL PROPERTY
- COMPANIES

DESIGN

- 5. INSULATION
- 6 SECURITY
- THE SHAPE OF
- INDUSTRIAL BUILDINGS 8. ACCESS AND POLITICS
- REGIONAL MARKETS 9. LONDON 10. THE SOUTH-EAST
- 11. THE SOUTH-WEST
- 12. THE WEST MIDLANDS 13. THE EAST MIDLANDS
- 14. THE NORTH-WEST
- 15. THE NORTH-EAST
- SCOTLAND 17. WALES
- 18. THE NEW TOWNS

For further information and details of advertising rates please contact: Cliff Caunter,

Financial Times, Bracken House, 10, Cannon Street, London EC4P 4BY Tel: 01-248 8000 Ext. 234

### FINANCIALTIMES EUROPE'S BUSINESS NEWSPAPER

The content, size and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

#### APPOINTMENTS

Management. He remains a direc-

tor of Barclays Bank and will be succeeded as senior general

manager by Mr. Roy Vine. Mr. Vine becomes also a director of

Barclays Bank and is succeeded as general manager (staff) by

Board in a non-executive

Miss Tina Leong has been appointed company secretary and financial manager of

Mr. David H. Probert, group finance director of W. Canning, has been appointed chairman of

Mr. J. H. White, staff director of sales and marketing, and Mr. K. J. Bateman, company secre-tary, have been appointed to the

Board of ARMSTRONG EQUIP-

Mr. Jack R. Jessen, vice president, has been made European representative for the UNION COMMERCE BANK in London.

Mr. Colin Hope has been appointed director, DUNLOP UK TYRE GROUP in succession to

Mr. Ray Nairn, and will take up his new position, based at Fort Dunlop, Birmingham, on Febru-

Mr. J. M. F. Dibben, joint managing director of UBM GROUP, has for personal reasons

man of the merchanting divi-

sion with executive responsi-bility for all UK builders' merchanting activities. He will continue with his group buying and marketing responsibilities. Mr. F. Brooksbank has been

appointed director responsible for the glass division.

Sir George Bishop is retiring as chairman of BOOKER McCONNELL after the annual

office of chairman with that of chief executive. Sir George will-

remain on the Board in a part-

time and non-executive capacity

Men and Matters Page 14

for the next two or three years.

Carson for adult non-fiction.

NATIONAL CARRIERS bas

appointed the following regional

managing directors: Mr. John

Parslew, Southern; Mr. Dong Moore, Eastern: Mr. Geoff Wright, Midlands; Mr. Roy Led-

ward, North East; Mr. Alan Morris, North West; Mr. Joe

Flannery, Western; and Mr. Bill Glenroy, Scotland.

place. At the annual meeting on

that date resolutions will be pro-

BRITANNIC

Mr. J. D. Bence.

Mr. Robert Sale.

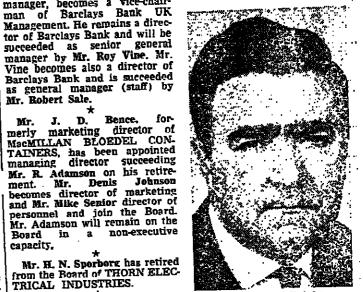
capacity.

NIMSLO.

HIRD BROWN.

### Senior changes at **Barclays Bank**

posed that Mr. J. A. Jefferson, Mr. B. H. Shaw, and Mr. D. Rout-ledge be appointed directors of Mr. H. U. A. Lambert, who next mouth succeeds Mr. Authony Tuke as chairman of the company, Mr. N. F. Carroll will relinquish his position as general manager on July 31 but Barclays Bank International, will from the same date become also a deputy chairman of will continue as a non-executive director. Mr. Jefferson and Mr. Shaw will become general a deputy chairman of BARCLAYS BANK. He has been a vice chairman since 1973. As already announced. Mr. Tuke will managers from August 1. continue as chairman of the Barclays Group and a director of BBL Mr. Douglas Horner, at Mr. Frank W. Knight has become chairman of CAMPBELL'S present Barclays' senior general manager, becomes a vice-chair-man of Barclays Bank UK



COUPS in place of Mr. John R. Morris who returns to the U.S. to take up a new position.

Mr. J. P. R. Brown has been appointed finance director of the ANGLO-THAI CORPORATION.

Mr. W. R. Reid, executive Mr. W. R. Reid, executive director of Tube Heating, Cementation Mining, part of the Trafalgar House Group, has been appointed chairman of the PIPE JACKING ASSOCIATION in succession to Mr. J. M. Cole.

Mr. Ian D. MacLeod bas been appointed group company secretary of BARRATT DEVELOP-MENTS and Mr. Michael C. Chapman joins as deputy group

Mr. N. E. Watkins has been elected financial director of HARRINGTON AUSTIN, Lloyd's Insurance Brokers. He was previously company secretary and chief accountant.

Mr. A. T. Riddle has been made works director of BRIDGE GRAPHICS, a subsidiary of Watmoughs (Holdings).

Mr. R. E. Heskell has been made a director of ROCHE PRODUCTS with the title of director of pharma production. Mr. David Harries has appointed editor of AIRPORT NEWS, the fortnightly news-

Authority. He succeeds Mr. Charles Eldred-Evans, who has become BAA's publications the Board of appointed to

paper of the British Airports

BRYANT HOMES, a part of Bryant Holdings.

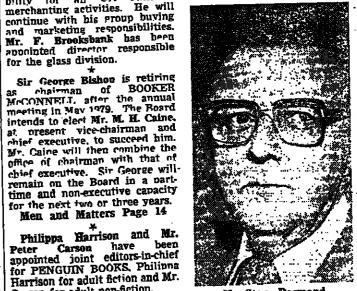
Mr. G. L. Hayward has been appointed managing director of E. G. HUDSON. Mr. H. M. Priestley has been

appointed a director of ELECTRIC AND GENERAL INVESTMENT COMPANY. Mr. P. B. A. Keller has resigned as a director. director, but will continue as adviser to the managers, Henderson Administration.

Mr. John Seymour, managing director of MONO CONTAINERS (UK), has been elected chairman and managing director of VERINGMEIERHOLDINGS B.V. APELDOORN, Holland.

Mr. Thomas S. Donohue has joined DATA GENERAL as controller for the UK and Eire.

Mr. Steve Desmond, has be-come managing director of CHICOPEE, which was recently formed to take over the manu-



Mr. Alan Jamieson, at present chief education officer with the BBC, has been appointed senior facturing of non-woven fabric commissioning editor for Puffin and the responsibilities Jehnson and Johnson's industrial Mr. Fred Bartlett has joined the board of DAVID DIXON AND SON HOLDINGS.

Mr. Robert Ernest Wagland, head of the research and development department, has been appointed to the Board of OZALID (UK).

Mr. P. E. Gough, a director of Muirhead, has been appointed deputy managing director. He will act jointly in that capacity with Mr. E. G. Atkins who has been deputy managing director since January 1976.

BRITANNIC ASSURANCE Mr. Stephen White becomes COMPANY states that Mr. D. publishing director—college division—of HOLT-SAUNDERS on the Board on April 27 and Mr. January 15. R. J. G. Williams will be appointed vice-chalrman in his

Mr. A. R. V. Belcher has been appointed a local director of SINGER AND FRIEDLANDER.

CL PATION

MODATIO! Market St. Co.

CONST. T. L. L. 425 2355

Sq. Ft.

Organisation

COURTAULDS INTERNATIONAL FINANCE N.Y.
9% GUARANTEED LOAN DUZ 1982
UNCONDITIONALLY GUARANTEED BY COURTAULDS LIMITED

HEREBY GIVEN that pursuant to condition 5 of the terms and conditions of the Loan and Trust Deed dated as of the 28th day of January, 1970, between Courtaulds International Finance impany. Courtaulds Limited, "the Guarantor," Lloyds Bank Limited, "the Trustee," the meany Courtaulds Limited, the Guarantor, 110yds Bank Limited, "the Trustee," the following sarial numbers have been drawn for redemption on the 1st February, 1979 by Sinking Fund at the redemption orice of 100% of the principal amount thereof. The redemption Sound drawn for redemption will become due and payable on 1st February, 1979. Interest on

aboue numbered Bonds will be redeemed at the principal offices of Chemical Bank, 20, Pine Street, New Jobos, 1001S, U.S.A. Deutsche Bank A.G., Junghofstrasse S-11, Frankfurt am Main, Germany, Credit 19 Boulevard des Italiens, Paris, France, Kredietbank N.V., 7 rue d'Arenborg, Brussels, Belgium, and k S.A. Luxembourgeoise, 43 Boulevard Royal, Luxembourg, upon surrender of soch Bonds for paymert

NOTICE

Dated this 22nd day of December 1978.

PHILLIP MONJACK. F.C.A., Liquidator

Dated this 20th day of December, 1978

By Order of the Sourt.
DAVID GALSWORTHY, Director

447562413813884515441235367425123845123857425123857451238574251238574574251238574574251238574574742512385748574251238574

Dated 5th January, 1979

LEGAL NOTICES

No. 00328; of 1978
IN THE HIGH COURT OF JUSTICE
Chancery Division
M. THE MATTER OF
BERGER, JENSON & MICHOLSON LTD.
IN THE MATTER OF
THE COMPANIES ACT, 1948
NOTICE IS HEREBY GIVEN that the
Irder of The High Court of Justice
Flancery Division) dated 18th December,
978, confirming the REDUCTION of the
APITAL of the above-named company
om ET2.000.000 to 511.000.000 and the
liquite approved by the Court showing
liquite approved by the Court showing
ith respect to the Capiza) of the company
altered the Several particulars required
the above-mentioned Act were resisted by the Registers of Companies on
1st December, 1978.
Dated this 21st Out of Qecember 1978.
HERBERT SMITH & CO.
62 Lengon Wall.
London ECER 718.
Solk tors.

IN THE MATTER OF COMMODEX ELECTRONICS LIMITED

Nominal value of Bonds in circulation \$8,739.000 (including 1979 and Bonds not as yet presented for payment.)

SHIPPING

plant operation has been taken into service at Trondheim Maritime College in Norway.

The simulator is of realistic design and a set of dynamic models representing the various processes in the plant is its "heart" while a sound generating system animates the plant by giving a continuously true sound picture of the machinery in all operating conditions.

The instructor can alter the plant requirements. behaviour of the process comfaults in components and in subsystems, thus obtaining a functions and wear. The process trolled components.

DYNAMIC training simulator models communicate with a equipment for diesel engine modern control and automation system installed in an "engine control room."

The "machinery space" built up from individual panels representing the main machinery components, and the "bridge" which also acts as instructor's console with advanced communication facilities, is equipped with a modern main engine remote control. The simulator plant can be adjusted to meet any specific

More than 400 faults can be puter models by introducing set by the instructor, and it is up to the trainee to find and correct the faults by analysing realistic running of a ship's the process reactions and by machinery with normal mal- checking the state of the con-

READY MIXED cold castable ballast, Ballast Pak, has been developed for internal keels by Parton Abrasives-the IIK's major producer of iron

Approved by Lloyd's Register of Shipping for use in keel weights under its quality approved scheme for yacht materials and fittings (Lloyd's Register Certificate YSC/QC1)1) this new ballast system involves the simple mixing of iron shot non-exothermic resin adhesive in a concrete mixer. The combined substances are then poured into the keel cavity. The fluid consistency enables the ballast to flow easily into the most inaccessible areas. In four hours the ballast is set in a non-brittle, tough. waterproof, solid mass with a

Structural

DESK-TOP computer programs forming part of Lloyd's Register's Plan Appraisal Systems for Ships (LR PASS)

are stated to be now available for processing on the Hewlett Packard No. 9845S computer. Programs have already been leased to five clients in Denmark—Aalborg shipyard, Bur-meister and Wain shipyards,

Elsinore shipyard, Frederiks-Vaerft and Knud E. Hansen ApS, and one in Finland -Hollming Oy. Within " LR PASS " there are 30 programs based on the Rule requirements for ship structures, and 20 programs which enable direct calculations to be

carried out for such items as longitudinal strength, prillage and frame analysis, brelling, sloshing, section properties, vibration, kargo seer analysis, hydrodynamic loading and hull girder torsion.

Details of "LR PASS" programs may be obtained from local Lloyd's Register offices or

iriom The Secretary (Ref TSG/R-209), Lloyd's Register of

Shipping, 71 Fenchurch Street, London, EC3M 4BS.

Ballast Pak is especially suitable for fibreglass boats, since the absence of heat evolution during hardening allows heavy sections to be cast without risk of damage to buils. Ballast corrosion has also been eliminated as the resin provides a waterproof coating to each iron shot particle.

It costs approximately 30 per cent less than the equivalent iron casting.

Although developed initially for the boatbuilding industry, it is equally suitable for any ballasting application, particularly involving plastics. There is no heat evolution during setting and it can be cast into complex shapes easily.

Barton Abrasives, Bagnall Street, Great Bridge, Tipton. DY4 7BS, 021557 9441.

#### DATA PROCESSING

### Designed for industry A standard double Eurocard

STEEL PLANTS, power stanot provide the most ideal en- with all interconnections at the vironments for housing com- rear facilitating an extremely puter systems. Temperatures simple, well screened bus struccan range from very hot to

A microprocessor system that does not need the mollycoddling. or controlled conditions and is specifically designed for industrial situations has been very interconnected to provide a single processor system having carefully chosen, says Northern Engineering Industries, NEI 32K words of memory and up to 128 interface slots in which House, Regent Centre, Newthere is no configuration conupon Tyne, NE3 3SB castle (0632 843191).

straint. Based on the Texas TMS The system is presently ful-9900 family of integrated cir-filling its promise, says the cuits, this 16-bit general pur-company, where it is installed pose micro-system is known as in atmospheres thick with steel Reypak 99 and is available from dust and dirt and, in one parthe company's Gateshead-based ticular steel plant, where it is often exposed to the elements. unit, RP Automation.

#### • COMPONENTS

### Controls the air outlets

dry wool felt in a compressor, purpose-designed for the pres machine) the seals are run in sure discharge of road tankers, so that a certain amount of felt sure discharge of road tankers, is worn down, giving a pre-set is that it will trap almost all elearance. Thus, each seal acts particles above 0.007 mm size, as a throttling device, consays Aeroquip (UK), PO Box 29, trolling the volume of air that Studley Road, Redditch, Worcs. escapes while cutting down any B98 7HQ (Redditch 20292).

The compressor incorporates seals manufactured to Hammond Engineering's specification by Aeroquip's seals division. This design consists of a steel cage

with a felt insert. Seals are fitted on to the shaft between the body and the inside bearing housing, effectively and economically sealing the com- range and good chemical resistpressor chamber from the out- ance,

THE ADVANTAGE of using side atmosphere. Once fitted (two to each preventing the compressor from

and Rack format is employed

arrangement can provide from

two to 32K words of memory

Using the bus expander module,

a number of chassis can be

ture, says the company.

Single 19-inch

over-heating drag on the shaft itself and In addition, the company's Viton seals are used to retain grease in the bearings which are remote from the compression chamber. Viton is a fluoro-carbon elastomer whichhas a wide working temperature

AVIATION A warning to choppers.

FOR HELICOPTERS-particu- loss larly during night flights—is a mountainous areas, constantly warning system which flashes a monitors the rate of approach warning system which masnes a and distance between the heli-light and sounds an alarm if copter and the ground, thus alerting the pilot if he should

should approach too closely. The system is connected to the altimeter of the craft. It also

exceed the permitted limits.

It has been developed by the engineering division of Israel processes the data relating to Industries, Lod, Israel.



TELEX: KGEL LIMITED.

CHAM CON/ IONDON 888941

ACCOUNTING

### Financial operations speeded

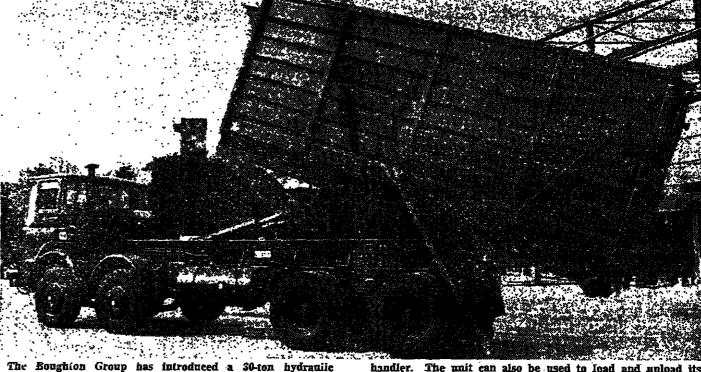
TWO computer-based systems for financial transactions are being introduced by Plessey Communications and Data Systems of Poole, Dorse

For banks and other financial institutions there is System 90, and for remote banking ser-vices in retail outlets at the point of sale there is the Plessey Financial Transaction Terminal System (FTT). The two systems work together or

independently. The average operation will be completed in less than one minute, it is claimed. includes the feeding in of all the transaction information, the customer personal identification number (PIN), and the actual printout of the transaction in a passbook or on a receipt or

other form. Plessey says that what the customer will see with either system, though they need not be used together, will be a small terminal on the teller's side or the clerk's side of the window or desk. On his side, the customer may have a small keypad on which he keys in his personal identification number, known only to him. Where this device is used, no transaction can be completed without customer participation.

Thus, it is stated, credit cards achieve greater security as no other person will know the PIN.



handling system which when installed on a road-vehicle chassis enables that one vehicle to be used for several purposes-as a machinery carrier, tipper, flat-bed or container

handler. The unit can also be used to load and unload its own trailer. Picking up from ground level, tipping, exchanging loads or changing bodies is controlled by the driver from his cab. Boughton has its headquarters at Bell Lane, Amersham, Bucks. (02404 4411).

### Makes steering safer

PLEASURE CRAFT users are offered a four unit autopilot system, which can be seen now at the Boat Show, by Decca Navigator Company, Decca House, 9 Albert Embankment, London SE1 7SW (01-735 8111).

Designed specifically for the boat market, it consists of: a lightweight sensing unit (compiete with correctors) which can be mounted in any suitable position: autopilot control unit (tested to successfully cope with toughest environments) is simple to operate and able to be mounted on a console, bulkhead or deckhead, simple electronic/junction box, and a horsepower mechanical drive unit said to be tough enough to control the rudder of most craft up to 45 feet in length. The company is also demon-

trating an analogue compass repeater unit. This is designed for console or trunnion mounting and is said to be a clear-toread ship's head indicator particularly beneficial in craft whose compass cannot be easily seen. The unit is connected directly into the electronic/junction box national grid. of the autopilot and as many repeaters as may be required

### Gas turbines at sea

can be fitted.

TWO STUDY reports are the result of a research programme to establish the potential development for gas turbines in the merchant marine environ-

Some 850 gas turbine powered ships, involving about 2,000 engines—installed or about to be installed—were investigated in order to understand the general trend of the world fleet and evaluate the demand for gas turbine propulsion. The reports cover 500

5,000 kW and 5,000 to 50,000 kW and are available from Battelle-Geneva Applied Economics Centre, 7 route de Drize, 1227 Carouge-Geneva, Switzerland.

#### SAFETY

### Pig iron made cheaper

THE DECISION to build an industrial production unit for the production of pig iron by a two stage reduction of concentrates with coal (known as the Elred Process) may be implemented in the near future, says ASEA Villiers House, 41 ASEA, Villiers House, Strand, London WC2N London 5JX (01-930 5411).

PROCESSES

Since 1972, the company, in conjunction with Stora Kopparberg, also of Sweden, has been working on a joint development project resulting in this process whose feature is that both the concentrates and the coal can be used directly, without pretreatment in sintering plants and coking plants.

The flue gases generated in the system can be used for power production through the medium of gas or steam turbines. As a result, the process covers its own electricity requirements and can also supply a small surplus to the

In addition, says the company, investment costs for an Elred plant will be lower than the total costs for a coking plant, sintering plant and blast furnace. A technical advantage is that iron ore concentrates with a highly phosphorous content can also be used in the process.

Both operating and capital costs will be less than those for conventional pig-iron produc-tion methods, and it is claimed that the process will make it possible to produce pig iron at about 20 per cent more cheaply than in a modern blast furnace,

The two stages consist of prereduction and smelt reduction. In order to extend the scope of the development work, a test plant was completed in Västerås in 1976.

In a parallel project, ASEA has developed a d.c. arc furnace for melting scrap—this also has proved to be suitable for use in the process.

### Cartridge helps kill fires FIRE EXTINGUISHERS which latest light water aqueous film pressure seat which can be re-

incorporate a squeeze grip con-trol so that the operator can use on Class B fires. Hydro-head cap, thereby allowing on regulate the discharge of the extinguishing medium, are to be marketed in the UK and Europe by L and G Fire Protection.

Constructed to the latest British Standard 5423, the range is gas cartridge operated and is available in two forms: Model WAC/9, a 9 litre water extinguisher, and Model LWF/9, which is a 9 litre foam extinguisher, charged with the

carbon fires of up to 80 sq ft in area have been extinguished with one 2 gallon foam appliance. In addition, the strong wetting action of the ticularly for baled fibres.

corporated in the head cap L and G Fire Protection. 270 assembly, which operates Romford Road, Forest Gate, horizontally and incorporates a London E7, 01-555 1311.

head cap, thereby allowing on the job servicing.
A tamper proof discharge tell-

tale indicates when the extinguisher has been used. This has to be reset on remedium makes it an effective charging the unit. A pressure-control for Class A fires—par-regulating system safeguards over-pressurisation of the ex-Discharge regulation is made tinguisher should it be acciden-possible by a control valve in tally over-filled.

#### SECURITY

### Eye-spy kit easy to use

PHOTON Security Services, automatic (variable dwell time) Croydon - based surveillance video system specialist, is offering a new method of complex video switching, for multi camera/monitor installations. The system is based on CMOS

logic switching, and can handle up to 32 cameras in standard form, via a remote processing unit.

Any number of monitor outlets can receive any picture on a desktop monitor/console, with

sequential or manual selection. Any picture(s) can be tem-porarily or permanently removed from the sequence, by a user operated "skip switch." The console is fed by a single coaxial cable and miniature

control cable, thereby cutting out the extensive cabling usually required, and reducing the associated labour costs. It is expected that the system will be especially suited to 6PJ (01-681 0423).

office environments, as monitor/console unit uses less than 1 sq ft of desk-space. First installation of the equipment was recently completed at the head office and warehouse of the Gladesmore: (Peter Brown Menswear) group of companies, using a 16 camera 8 monitor system.

Further from Photon Security Services, 160 Selsdon Road, South Croydon, Surrey CR2

### Post Office Telecommunications -the way ahead? 29-30 January, London-

A repeat of last September's highly successful conference which examines the questions you should be asking about the impact of the PO's current and future services on your organisation. Among those providing the answers will be: David Builer; Butlet Cox; Mark Elwas, Telephone Users' Association; Frank Mingaye, Ford; Mike Tyler, Communications Studies & Planning; Ted-Webb, Post Office-Engineering Union; Sir John Barran, COI; and Geoffrey Dale, Frank Lawson and Bill Morley of Post Office Telecommunications.



FURTHER DETAILS FROM: ISL INFORMATION STUDIES LIMITED, REGAL HOUSE, LOWER ROAD, CHORLEYWOOD, RICKMANSWORTH, HERTS. WD3 5LO TELEPHONE CHORLEYWOOD (09278) 4244

المكالس العمل

IN THE MATTER OF

COMMODEX ELECTROMICS LIMITED

and

IN THE MATTER OF

THE COMPANIES ACT 1945

NOTICE IS HERREY GIVEN that the
creditors of the above-named Company,
which is being voluntarily wound up, are
required on or before the 15th pay of
January 1079. to excel in their full
Christian and surnames, their addresses
and descriptions, full particulars of their
debts or claims, and the names and
addresses of their Solicitors (if any), to
the undersioned Leonard Cyril Curtis FCA
of 312 Bentlanck Street, London With 35A,
the Liguidator of the said Company, and,
if so required by motice in writing from
the said Liquidator, are, personally or
their solicitors, to come in and grays
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th THE COMPANIES ACTS 1948 TO 1976 ROSE HOME IMPROVEMENTS LIMITED NOTICE IS MEREBY GIVEN, pursuant to section 293 of the Companies Act 1948, that a Meeting of the Contients of the Contients of the Act 1948, the shoet and the Contients of Leonard Curtis & Co. strusted at 3/4 Bentiuck Street. Landon W[A 384 on Wednesday, 1940 to the 1940 to January 1979, at 12 o'clock for the purposes mentioned in sections 294 and 295 of the said Act. **PERSONAL** Dated this 19th day of Dec 1978. By Order of the Board. R. E. ROSE. Director

CLUBS IN THE MATTER OF GEORGE HYAMS LIMITED and in the Matter of The Companies Act, 1948. Notice is hereby given that the creditors of the above-named Company, which is being voluntarily wound on the state of the state

CHEMICAL BANK on behalf of COURTAULDS INTERNATIONAL FINANCE N.Y.

189, Regent Street 754 9582, A la or All-in Menu, Three Spectacular Shows 10.45, 12.45 and 1.45 and of Johnny Hawkesworth & Friends, GARGOYLE, 53, Dean Street, London, W.1, NEW STRIPTEASE FLOORSHOW PAS YOU LIKE IT! 11-3-30 gm, Show at Midnight and 1 am, Mon.-Fri. Closed Saturdays. 01-437 6455.

**PUBLIC NOTICES** 

BLACKPOOL CORPORATION
.1m Bills. issued 4.1.79, meturing
9, at 1111mg. Total applications
n. Bills outstanding 51.1m. BUCKINGRAMSHIPE COUNTY COUNCIL.
The Buckinghamshire County Council
issued on 4th January, 1979, £6m Bills
due 5th Abril. 1979. Applications totalind £55m. Half the issue
was made at 11.51-54% and the
remainder at 11.04%. There are no
other Bills outstanding.

CITY OF NOTTINGHAM

n Bills, issued 3.1.79, maturing
at 1112%. Total applications
Bills outstanding £1,5m. CLWYD COUNTY COUNCIL BILLS \$1,000,000 Bills, issued 2.1.79. maining 3.4.79 at 11 biles. Applicational \$4.250,000 and there 123,000,000 Bills outstanding.

THE COMPANIES ACTS 1948 TO 1976
DAGENHAM PLANT HIRE LIMITED
NOTICE is hereby 9 ven. pursuant to
section 293 of the Companies Act, 1948,
that a Meeting of the Creditors of the
above-named Company will be held at
the offices of Leonard Curtus & Co.,
situated at 314, Bentinck Street, London
W1A 3BA on Friday, the 5th day of
January, 1979 at 2,30 of the seld Act,
and 295 of the seld Act, GRAVESHAM BOROUGH COUNCIL BILLS \$500,000 Bills, issued \$1.79, maturing 4.4.79, at 1153-64% Applications totalled \$3.500,000 and there are \$500,000 Bills curstanding.

HAMPSHIRE COUNTY COUNCIL STOM BILL ISSUED 3.1.79. matur 4.4.79. at 11.49-64%. Total applicable E65m. Bills outstanding £30.5m. PLYMOUTH CITY COUNCIL E0.5m Bills, issued 3rd January, ue 4th April, 1979, at 112-6; pplications £5m. Bills outstanding \$

STOKE-ON-TRENT DISTRICT COUNCIL

\$800.000 BILLS, Issued 3.1.79. maturing
4.6.79. 31 1153-6475. Applications
bitalied £4.500,000 and there are
\$900,000 Bills outstanding.

MANAGEMENT

ONE OF the messages that the

Spanish Government has constantly sought to convey to in-

dustrialists is that the Franco

era's policy of crude interven-tionism is dead. This has been

a contral element of its indus-

rial policy.

At first everyone took this with a pinch of salt. Feople argued that the seriousness of the recession would force the

government to make exceptions

and that siling industrial com-

Basque country.

large slice of new equity.

But against this existing shareholders, creditors and the

workforce are all having to

make what are termed "mutual sacrifices" — the shareholders

force has agreed to substantial.

tionist policy there would have been no such involvement of all

the parties concerned; more than likely the solution would

have been the state acquiring only the loss-making parts of

inture viability conditul. As it

is, the company is basically

Indeed, in a modified form it

is already being applied to the

restructuring of the weakest of the three Spanish integrated

and is eventually, to acquire 100 per cent control. By buying.

phased control it is making the

existing shareholders bear part

not that the State is willing to

**COMPANY NOTICES** 

Del Mediterraneo (AHM).

being kept intact.

Under the old interven-

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MACHINE GEL LIMITED

### INTING cial tions

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NOTICE IS HEREBY GIVEN that the Transfer Repister of the Ordinary Shares will be closed at 3 p.m. on the 12th January, 1979, for the preparation of dividend warrants. widend warrants.

By Order of the Board.

A. CUEROEN, Secretary.

Hightown Road,

Cleckheston.

Stb. January, 1979. SOLVAY & CIE S.A.

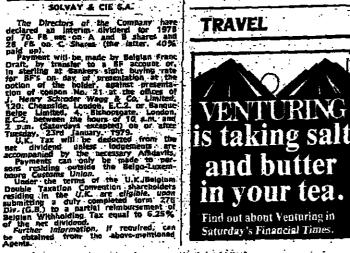
MACKWOOD MORTON & SONS
(HOLDINGS) LIMITED

NOTICE IS HEREBY GIVEN that the rarsfer Books of the Company will be osed from Wednesday. 17th January, 1978.

979, to Wednesdey, 31st January, 197 oth date inclusive. By Order of the Board, A. M. LEGGATE, Secretary. Burnelde World. Klimarneck. 29th December, 1978,

CARCLO ENGINEERING GROUP

Amount declared in S.A.



# Spain's opening shot at a new policy on lame ducks

Robert Graham on the rescue of Babcock and Wilcox Espanola



Part of Babcock and Wilcox's factory in Bilbao.

tion and heavy recession. The company was founded in 1918 by Spanish shareholders, and its are writing off two thirds of international parent, British existing equity, the creditors Babcock, which took 10 per cent are writing off 30 per cent of of the equity. Its Bilbao plant outstanding debt, and the work was a pioneer in introducing what was then very new technowhat was then very new technology to Spain. It was also the first industrial concern to establish an apprentice school,

The company has two product divisions — capital goods, and tube and pipe manufacture. On the capital goods side Babcock produces a variety of boilers the company, so making its and boiler components, mechanical handling equipment (includ-ing cranes), railway equipment, locomotive plate work, vessels The Ministry of Industry and reactors, nuclear compo-hopes that the new formula will nexts and desalination plants. not prove particular to Babcock."

The company's strength seemed firmly rooted in the fast expanding domestic economy of the late fifties steel companies, Altos Hornos laws-cushloned competition. It and sixties, when protectionist therefore did not matter that The state is buying into AHM. the company had such a large

Unfortunately, like a lot of other industrial concerns, the of the responsibility for the management was slow to appre-losses incurred in 1978. The class the seriousness of the essential point, officials say, is 1973 oil price rises and draw the appropriate conclusions

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JAMES REATTIE LIMITED

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making a Pta 2.5bn (£18.5m) Babcock's main problem was international parent. British that its involvement was pre-Babcock, which took 10 per cent cisely in those sectors most seriously affected by the recession—large capital spending projects which either became delayed or postponed. This was especially the case with the plan for nuclear power plant construction which was effectively frozen in mid-1977. pending the elaboration of a new ten-year national energy plan.

#### Dilatory

By 1976 Babcock had a negative cash flow position, and once the recession began to hit new industrial investment it was caught in a victous circle. Sales declined, production capacity became idle, yet it was obliged by the intricacies of Spanish labour law to sustain a workforce of over 5.200 and finance foreign exchange losses on the July, 1977, peseta devaluation, as well as finding increasingly expensive new credit to meet outstanding obligations.

Luis Miguel Pariza, one of early resolution of Babcock's let strategic companies collapses from the beginnings of a problems was hindered by the rather that to keep them alive domestic recession in 1974, fact that trades unions were problems was hindered by the only legalised in April 1977 and

through a process of major re- step in, if for no other reason tions, steel companies and adjustment just when the situ- than that the issue had become ation needed to be stable. already volatile province. Matters were not helped by the Wage company defaulting on

siderable bitterness. Both management and unions appealed to the Government to the old shareholders, new prosintervene in the Summer of pective shareholders, and the 1977. Subsequently much blame Government. "Our main aim was attached to the Government was to save the factory; our for its dilatoriness which led, next consideration was jobs." according to its critics, to the company's suspension of pay-ments in February 1978.

device, whereby a company successful compromise, applies to the courts for per- From a workforce of 5,250 at mission to declare a debt the beginning of the crisis, the moratorium. If granted, the pruned size will be around 4,000, court then specifies a period of Of these some 500 have already time during which the company basis of the company's net assets served. In return they have debts. In Babcock's case there were total debts of Pts. 15.9bn (£113m)-hut in order to ensure that it was not technically bankrupt, it had to increase the net book value of its assets (most Spanish companies undervalue their assets for fiscal reasons and as a result of conservative accountancy proc-

Although the Government was dilatory, it was genuinely afraid of putting a foot wrong. It did not wish to go for outright nationalisation because such a move would have aroused too much controversy in the powerful private sector. Equally, it wanted to see whether Babcock's management could reach a solution without government help.

Management did seek such a solution involving the breaking up of the company-selling off the profitable pipe- and tubemaking operation to Mannesmann and then offering the lossmaking capital goods side to the the main trade union officials State. This produced immediate involved, maintains that an protests from the trades unions who insisted that the company remain intact.

To this end, they collected responsibility has to be shared. Orders in that year were at an still banned organisations when 50,000 signatures in the Basque The fate of Baccuck is a all time high of Pta 12bn the trouble started. They were province of Vizcaya, including 50,000 signatures in the Basque good example of an apparently (185m). By the end of 1977 only legalised in April 1977 and all the political parties, support-healthy characteristic company masked by increased competitor this and the company was labour relations had to go This obliged the Government to

politically explosive in

By early summer the broad payments for almost four lines of an agreement had been months from August 1977, established: it was enormously which led to strikes and con- complex because it involved five different groups of interests - the workers, the creditors, says Parıza. This realistic view by 'the unions, in one of the most politicised factories in This is a peculiarly Spanish Spain, was a key factor in the

left. The remainder will go must sort out its finances. The through early retirement (at difference between this and 58) or through golden handbankruptcy is that the debt shakes calculated on the basis moratorium is granted on the of one month's salary per year being greater than its total accepted a new deal which should raise productivity by 30 per cent.

The creditors, of which there were over 4,000, proved harder to deal with. They included suppliers, banks and government bodies like the social security organisation and the Ministry of Finance (tax). The latter, who accounted for some 30 per cent of outstanding debt, had a special lien on the com-pany and priority claims. But these were the parties which

could most afford to wait. There were over 20 foreign banks involved in two main consortia, one led by the Bank of America, accounting for almost 15 per cent of total debt. They were afraid they might be squeezed in priority by the local

The solution in the end was that creditors were offered a 60 per cent debt write-off against payment of the remainder in six months, or a 30 per cent debt write-off and 70 per cent payable 10 years, accepted in principle in November and this week was formally approved by over twothirds of the creditors - the legal requirement.

Meanwhile company sources insist that there has been no deal with the Government to write-off tax and social security

debts, other than rolling them

As for the 8,400 existing shareholders, who include savings banks and the Banco de Vizeaya, which has 8 per cent, they have agreed on a capital write-down from Pta 999m to Pta 272m. This has already been done, and a new Pta 2.45bn capital increase is being floated.

Most shareholders will waive their options-like British Babcock, whose holding will fall to 1 per cent. New shareholders representing financial institucapital goods concerns will take the rest, so linking industry as whole to Babcock's future.

Of the new capital, almost 60 per cent is expected to come from Equipos Nucleares. This is now an INI-controlled company making heavy components for the nuclear steam supply system which Babcock belped to set up and in which it retains a 26 per cent stake.

This will therefore bring representatives on to the new Board from INI, which will have an important future say in Babcock. For its part, the Government will help inject new cash through a Pta 2bn (£14m) soft credit.

#### Viability

So much energy has been absorbed by this lengthy solution that few people have stopped to consider the company's chances of future viability. Existing debts have been cut by approximately Pta 2bn, but the high cost of credit and the continued recession could have a serious negative impact on the restructured organisation. which is currently working short time (employees work one week on/one week off). Orders show no sign of picking up in the capital goods sector.

The company also suffers financially from the Spanish practice of capital goods manufacturers having to help find financial guarantees for purchases of their products.

Moreover, management cannot operate effectively until a new Board is appointed. The unions claim to be running the show at the moment. For instance, it is they who took the initiative and went to INI to insist that it give as much of its future business as possible to Babcock -an assurance INI has given.

But the main source of strength (and weakness) is the Government, which, by pushing hard for the approval of the energy plan, can reactivate work on power plant construction. If this is delayed much longer, Babcock risks further financial overseas. Only 15 per cent did difficulties and the possibility of so last year, compared with 18 being wholly taken over by the per cent in 1977 and 27 per cent

Government as a real lame duck. The year before that.

PERCENTIAGE OF WILLINGNESS TO WORK ABROAD SINCE TH

### Working overseas loses some of its glamour

THE SIRENS who seek to lure Britain's senior managers away from these shores were rather muted in 1978. The call of the wild—high pay, low taxes, warm climates and all the other attractions to be found overseas -is no longer so enticing to the top executive according to the latest survey from Business Development Consultants (Inter-

Each year BDC, part of Minet Holdings, asks senior managers in Britain, earning, on average, more than £15,000 a year, whether they are more or less keen to work abroad. For the first time in five years more than 50 per cent of the sample have replied that they are less inclined to work overseas.

"The glamour of much overseas work has faded," explains Terence Hart Dyke, managing director of BDC. "This is partly due to managers returning pre-maturely or without having saved the money they had expected, and partly because of a slow down in development in some overseas areas, such as in the Middle East." The survey shows a 40 per cent drop in the popularity of the Middle East as a place of work.

Compared with 1976, the year of most apparent dissatisfaction at home, there is a radical difference. Then 86 per cent of the sample was more keen to go overseas compared with 47 per cent in 1978.

Perhaps more significant is the number of managers who have actually looked for work six pages, price £10, is avail-

Not surprisingly the prime motivation among those willing to work overseas - and this has been true in each year of the survey - is for greater rewards. In 1978, 59 per cent of the sample gave this as the main reason, a proportion which has increased steadily year by year.

Comparatively few executives gave "lower taxation" as the main reason for wanting to work abroad, 21 per cent in 1978, a fall of 5 per cent on the previous year but broadly in line with the two years before

#### Inducements

But sending managers overseas can still provide headaches for companies, according to the survey. It is not that they won't go, 81 per cent of employers reported no difficulty in persuading their managers to work abroad, it is getting them back. According to BDC 68 per cent of companies have trouble in getting managers back to the UK because of the higher net earnings that they receive abroad. A number of companies have

to resort to special inducements to encourage managers cases reviewed the companies paid above normal UK salary levels, 23 per cent, "arrange for some overseas remuneration, 18 per cent of cases continue to pay school fees, and 11 per cent continue overseas benefits. \* Working Abroad able from BDC (International). 26 Dorset Street, London, W1.

Jason Crisp

### Managing Director

for the British subsidiary of a major European industrial group. The company, with the Head Office in Southern England, has a turnover of £10m in timber based products from three plants.

- RESPONSIBILITY is for the UK operation. The key task is to achieve profit targets by improved productivity and vigorous marketing in a highly competitive market. New product development is a longer term objective.
- SUCCESS IN GENERAL MANAGEMENT of an industrial. company with stringent financial controls and a penetrative marketing style is essential. The requirement is for senior management experience in both marketing and production.
- SALARY towards £20,000.

Write in complete confidence to C.A. Riley as adviser to the company.

#### TYZACK & PARTNERS LTD MANAGEMENT CONSULTANTS

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12 CHARLOTTE SQUARE EDINBURGH EH2 4DN

UNIVERSITY OF BRISTOL FINANCE OFFICER FINANCE OFFICER
Applications are invited for appointment as Finance Officer on the University, which post will become vacent on July 31st. 1979, on the retirement of Mr. T. Bertram Smith, M.A., F.C.A. The salary of the post will be according to age and experience. Suitably qualified candidates are invited to submit applications by 5th February Particulars of the appointment may be obtained from the Officer in Charge of Personnel Administration, University of Bristol, Senate House, Bristol BSS 1TH. (It is requested that reference AGWM/CVGH be quoted at the heading of all communica-

ART GALLERIES MALL GALLERIES, The Mail, S.W.1. Nesketh Mubbard Art Society, Annual Exhibition, Derly 10-5, Until 13 January, Admission tree.

### INVESTMENT VALUER

We are looking for an ambitious person in mid/late twenties to join our expanding Investment Department.

The successful candidate will have a professional qualification and/or a degree and have had experience of Investment or Valuation work.

Salary commensurate with ability and experience. Staff pension fund, opportunity to join the profit-sharing scheme.

Applications marked 'Private and confidential' should be sent to the appointments partner.



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- £20,000 is the likely salary; location London.

BARRISTERS or SOLICITORS to whom this appointment would be of interest are invited to write in confidence to N. C. Humphreys as adviser to the group.

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Group Managing Director, Box A.6586, Financial Times, 10 Cannon Street,

### **Europe must** do better

No doubt President Carter

will be looking for some clarifi-

cation in Guadeloupe (not of

course from Mr. James Callag-

han who, by accident or design,

from the shambles). Meanwhile

who can blame the President if

is weak, not least because of un-

rest in Iran, and that it is there-

is no certainty that the unrest

in Iran will go away soon-or

that, if it does, it will not be

replaced by unrest elsewhere. To wait until the dollar is strong

(however that may be defined)

and the problems over is to

decide to do nothing indefinitely

the date of January 1 for the

EMS was decided last July, it was really a most optimistic target which has been only just

missed. What does it matter.

it is asked, if the system were

to start operation, let us say, one

month later when the farm

ministers 'have' sorted out matters to their satisfaction?

The answer is that it matters

very much when the heads of state or government of the nine

Community countries take a

unanimous decision on what

they say is of historic import-

ance on December 5 and

then permit discord among farm

ministers to undermine it on December 19. Even to those whose minds are dulled by ex-

cessive consumption of alcohol

over Christmas and New Year

(or by stultifying discussion of

the history of Monetary Com-

pensatory Amounts in EEC farm

trade), it must be clear that this

topsy turvy procedure under-mines the credibility of Europe's leaders and is the

worst possible psychological

preparation for eventual intro-

duction of the EMS. If the

Europeans want to be taken

seriously by the Americans.

Credibility

Others remind us that when

realities of power?

BY JONATHAN CARR IN BONN

DO THE Western Europeans deserve to be taken seriously? President Jimmy Carter must have been asking himself the question as he made for the Guadeloupe conference with West German, French and British leaders.

Mr. Carter had been led to expect the entry into force on he permits himself an ironic January 1 of a new European Monetary System (EMS) which, its authors said, would help the dollar. True, some critics felt the EMS was built on sand. Others, on the contrary, felt the system might eventually produce a significant, alternative reserve asset to the dollar—a development not necessarily helpful to the stability of the international monetary system.

#### Initiative

Nonetheless, the Europeans by Chancellor Helmut Schmidt and President Valery Giscard d'Estaing were clearly in earnest. Even for a President with a Middle East peace settlement, Iran and Turkey (among other things) on his mind, the EMS seemed to be a notable political initiative.

And what is the result? Mr. Carter must feel he has witnessed a European Community circus in which farming clowns have managed to pull the rug from beneath the troupe of acrobats, the European Council. nominally topping the bill. That is, of course, a highly seasonal event-but not quite what had been hoped for. Indeed, the impudence of it takes the

President Carter is not alone in asking how it could happenand is not likely to feel happy about the explanations he has heard so far. Can it be that agricultural problems alone were responsible — matters which from Washington at least, must seem equalled in their triviality only by the passion which they arouse in otherwise civilised European adults? It hardly seems credible -but then it would not be the first time that the Europeans had determinedly concentrated on the apparently inessential.

An unkind American President might feel inclined to suggest that the European Community should follow up the Treaty of Rome by choosing the Emperor Nero as its patron and a lyre set against a burning city as its emblem.

BBC

† Indicates programme in black and white.

9.55 am Paddington. 10.00 Jackanory. 10.15 Scooby Doo. 10.25 The Cossack's Horse, \$11.20 Buck Rogers. 12.00 Fantastic 12.45 pm News. 1.00 Pebble Mill. 1.45 Trumpton. 2.00 Tennis: Braniff Airways World Doubles Championship 3.20 Glas y Dorlan. 3.53 Regional News for England (except London). 3.55 Play School (as

They will surely have to do better than this. Hill. 5.35 Ludwig.

5.55 Nationwide (London and South-East only).

the following times:--Wales-1.45-2.00 pm Sioncyn

# A mountain of neglect SNOWDON

### BY ROBIN REEVES

SNOWDON looks at its most impressive at this time of the year. Clothed in snow and ice under a cold blue sky it looks almost as spectacular as a Himalayan peak nearly ten times its size. But beneath the fine winter coat, all is not well with the highest mountain in England and Wales. It may have withhas kept himself happily apart stood thousands of years of erosion by snow, ice, wind and water, but the famous peak is now suffering grievously from a

new agent of erosion—man. smile—he who used to be smile—he who used to be Anyone who has inspected pilloried by the Europeans for entertaining visions which had called in Welsh) more closely little to do with the bard during the summer months will have seen the tremendous damage being caused to the It hardly needs saying that the mountain's fabric by visitors. apologists in Europe are now at work. We are told that the dollar Ever since the Reverend Bingley clambered one of Snowdon's main cliffs, Clogwyn Du'r Arddu. in search of botanical specimens fore better to wait on the EMS anyway. But then—the EMS was supposed to help the U.S. currency, was it not? And there (incidentally, the first recorded rock climb in Wales), Snowdon has been attracting ever increas-

ing numbers of people. The dramatic glaciated landscape is a mecca for geologists, climbers and mountain walkers. The collection of flora and fauna is renowned among naturalists throughout Europe and some

less thousands have gone to the summit on the unique rack and built at the end of the last a danger that much of present

But it is only in the last 15 to 20 years that the stream of visitors has built up into a flood. The mobility afforded by the Snowdon into an irresistable culture, recreation and attraction for a very wide public

Getting on for half a million people now reach the summit each year either on foot or by train, leaving behind them a major problem of serious foot-path erosion, litter disposal and damage to fragile habitats and the workaday needs of local sheep farmers.

In a recently published report,

the Snowdonia National Park Authority draws a parallel with Hyde Park, pointing out that the sewage park would look appallingly proved. damaged and scruffy after a summer's wear and tear without proper management and a large labour force to look after it. By contrast the care and attention which Snowdon receives is presently limited to the valiant

a national nature reserve. Count- every sign of long neglect. The report warns that while it is not going to sink under the pinion railway from Llanberis, weight of countless feet there is

value will be lost. The National Park Authority's solution has been to draw up what it calls the Snowdon Management Scheme to try to motor car and the popularity of reconcile the conflicting mountain pursuits has turned demands of conservation, agritourist industry.

### New footpaths

The scheme sets out a five year programme starting in the spring this year, which will concentrate on three main areas. On the summit new footpaths: will be laid out between the railway terminal building and the summit cairn, and facilities -particularly for water and sewage disposal-will be im-

the mountain slopes Oπ priority will be given to restoration and maintenance of the footpath network so as to provide a stable walking surface. But the scheme will also include the repair of damage to farmefforts of the railway company land and, where necessary, re-4,000 acres of its slopes, includ- and a few wardens and volun- routing of footpaths to prevent ing the summit, are designated teers and the mountain shows future damage.

Around the base of the mountain the scheme provides for the extension and landscaping of car parking facilities and the provision of a weather forecasting system at all points where the public set out to climb: Snowdon. An experimental bus service-the Snowdon Sherpahas already been introduced to encourage visitors not to bring their cars into the area and to. try to reduce pressure on the vulnerable and overused parts of the mountain.

The overall cost of the scheme is estimated at £600,000 spread over the five years, funded mainly through grants from the Countryside Commission, the Welsh Office and other government agencies. It will provide employment for a workforce of around 40 estate workers.

But once the rehabilitation and restoration of Snowdon are completed, the authority stresses that an adequate work-force will still be needed to en-

coddle, visitors seriously de accept that, in Snowdon's case, hills of mid-Wales.



sure deterioration does not set tracts from the character of the weight of traffic is such final in again.

The Snowdon Management tion lies in the element of left to look after itself. Indeed, Scheme has not been without its danger and uncertainty and the purists gave up climbing Snow critics. Traditionalists have ability of the mountain walker don except at quiet times of the agree of the countries of the mountain walker don except at quiet times of the agree of the countries argued in the past that the to move safely over difficult year a long time ago. They now mushrooming of arrangements terrain and judge the weather find mountain solitude else to chaperone, if not molly for himself. But most would now where in Snowdonia and in the

### Scandal hits a racing Prince

AT THE end of Queen Anne's reign it was generally expected that George I would have little love for racing, and this sur-mise proved correct. His successor, George II, proved to be equally uninterested; but his

was one of the most noted

figures in racing of any period. Not only did he breed Eclipse,

he was the most influential

George III, for his part, had

rirtually no interest in the sport, although he ran the occa-sional horse under the assumed

name of Thomas Panton. How-

ever; he must take some credit,

insofar as the Turf is concerned.

for he was father to the Prince

Regent, later to be George IV.

racing man of his time.

lower that racing has had. His stable at Newmarket often varied in numbers according to his finances, but the size of his operations can be gauged by the fact that in the years 1788 son, the Duke of Cumberland,

to 1792 he won 185 races worth

Of the many controversial

situations that the Prince Regent

became involved in, none in

racing was more so than the

great Escape Scandal. In this affair the Prince Regent's

horse, Escape, completely reversed form with two rivals

against whom he had run on

An uproar was followed by a

11.25 The London Programme. 12.25 am George Hamilton IV. 12.55 Close: Michael Barrell reads from the diary of

All IBA Regions as London

except at the following times:

ANGLIA

9.30 am On the Twellth Day. 10.00
Wilkie on Wafer. 10.25 Take a Bow.
10.50 You Cas Make It. 11.10 Where
the Hell Are We? 11.40 Oscar. 11.55
The Sweet Suger Doughnut. 12.30 pm
Friends of Man. 1.25 Anglia News.
2.00 Houseparty. 2.25 Friday Film
matines: "Three For The Road." 5.15
Sam. 6.00 About Anglia. 11.15 The
Liberace Show. 12.16 am Police
Surgeon. 12.45 Christians in Action.

Surgeon. 12.45 Christians in Action.
ATV

9.50 am The Adventures of Pinocchio.
10.15 Survival. 10.40 Wilkie on Water.
11.05 Lord Tramp. 11.30 The Pinocess
of Tomboso. 12.30 pm Sounds of
Britain. 1.20 ATV Newadesk. 1.30
Movie Matines: "Drum Beat," starring
Alan Ladd. 3.50 The Practice. 5.15
Happy Days. 6.00 ATV Today. 11.15
Mary Hartman, Mary Hartman. 11.45
The Mel Brooks Interview.

BORDER

9.30 am The Undersea Adventures of Captain Nemo. 9.35 Untamed World. 10.00 Wilkie on Water. 10.25 Take a Bow. 10.50 You Can Make It. 11.10 Where the Hell Are We? 11.40 Oscar. 71.55 The Sweet Sugar Doughnut, 12.30 pm Lifestyle. 11.20 Border News. 2.00 Mathee: "Great Catherine." 5.16 Garnock Way. 6.00 Looksround Friday. 6.30 Welcome to the Ceilidh. 11.15 The London Rock and Roll Show. 12.10 am Border News Summary.

CHANNEL

CHANNEL

1.18 pm Channel Lunchtime News
nd What's On Where. 2.00 The
riday Matinee: "Funeral in Berlin."

1.15 Friends of Man. 6.00 Report at
ix. 6.35 TBA. 10.28 Channel Late
lews. 11.15 The Electric Theatre Show.

2.10 am News and Weather in French.

GRAMPIAN

GRAMPIAN

9.25 am First Thing. 9.30 The Lost Islands. 10.00 Wilkle on Water. 10.25 Take 3 Bow. 10.50 You Can Make It. 11.10 Where the Hell Are We? 11.40 Oscar. 11.55 The Sweet Sugar Doughnut. 12.30 pm Survival. 1.20 Grampian News Headines. 2.00 Friday Mannes: "She Wore a Yellow Ribbon." 5.15 Woobinda. 6.00 Grampian Today. 6.35 Sportscall. 7.30 Welcome to the Ceilidh. 11.15 The Entertainers: Tom Paxton. 11.45 Reflections. 11.50 Grampian Late Night Headines.

GRANADA

BORDER

over £30,000.

the previous day.

11.15 Police 5.

DOMINIC WIGAN in this fourth article

on the history of racing describes the Great

Escape Scandal.

The Prince Regent was probled to the Prince Regent feelably the most ardent royal fol- ing obliged to finish his racing interests at Newmarket.

King William IV's knowledge of racing was soon made known. for after his accession the nautical monarch, in answer to his trainer's question as to which horses he would like to run at Ascot, replied: "Why, the whole squad -- first-raters and gunboats. Some of them, I suppose, must win."

Queen victoria, though never owning horses, sometimes raced at Ascot, and on one occasion decided to ask a four-stone boy jockey called Bill his weight. Please, Your Majesty," came the reply, "my master said I was not to tell my weight to anvone.'

In contrast to Queen Victoria, Edward VII was as keenly inter-

ested in racing as the Prince regent had been and, unlike some previous monarchs, was determined to breed his own runners. From the mare Perdita II he gained Florizel II, Persim-Jockey Club inquiry, and this mon and Diamond Jubilee.

pm Gold is Where You Find It. 1.20
Report West Headlines. 1.25 Report
Wales Headlines. 2.00 "Brende Starr,"
starring Jifl St. John. 5.15 Laverne
and Shirley. 6.00 Report West. 8.15
Report Wales. 6.30 Oh No It's Selwyn
Froggitt. 11.15 Survival Special. SCOTTISH

SOUTHERN

9.30 am Stationary Ark. 10.00 Willrie
on Water. 10.25 Take a Bow. 10.50
You Can Make it. 11.10 Where the
Hell Are We? 11.40 Oscar. 11.55 The
Sweet Sugar Doughnut. 12.30 pm
Farmhouse Kirchen. 1.20 Southern
News. 2.00 Houseparty. 2.25 "New
Original Wonder Woman." 5.15
Laveme and Shirley. 5.40 Weekend.
6.00 Day by Dav. 6.00 Scens South
East (South East Ares only). 6.30
Out of Town. 11.15 Southern News
Extra. 11.25 Soao. 11.55 The Electric Theatra Show.

10.00 am Wilkee on Water. 10.25
Take a Bow. 10.50 You Can Make it.
11.10 Where the Hell Are We? 11.40
Oscar. 11.55 The Sweat Sugar Doughnut. 12.30 pm Lifestyle. 1.20 Lunchtime. 2.00 Friday Metinae: "Roll
Fraddie. Roll." 4.18 Ulster News Headlines. 5.15 Mr. and Mrs. 6.00 Good
Evaning Ulster. 6.30 Sportscast. 11.15
Bedtime.

Sedime.

WESTWARD

9.30 am A Hote lot of Trouble. 10.00

Wikke on Water. 10.25 Take a Bow.
10.50 You Can Make it. 11.10 Where
the Hell are we? 11.40 Oscar. 11.55
The Sweet Sugar Doughnut. 12.27 pm
Gus Hanaybun's Birthdays. 12.30 The
Cuckoo Waltz. 1.20 Westward News
Headlines. 2.00 The Friday Matines:
"Funeral in Berlin." 5.15 Friends of
Man. 6.00 Westward blary. 6.35 Time
Out. 10.28 Westward late News.
11.15 Spies—An Electric Theatre Show
Special. 12.10 am Faith for Life.

VADE CATER 9.30 am Sesame Street. 10.25 The Amazing Chan and the Chan Clen. 10.50 The Nature of Things. 11.15 The Axe and the Lamp. 11.25 Clapperboard. 11.45 Song Book. 12.30 pm The Amazing World of Kreskin. 1.20 This is Your Hight. 2.00 Friday Matines: John Alderton in "Please Sir." 5.15 Mr. and Mrs. 5.00 Grands Reports. 6.30 Kick Off. 11.15 Celebrity Concord. 12.15 am Westside Medical. YORKSHIRE

YUKK-STIRCE

9.30 am Wild, Wild World of Animals. 10.00 Oscar. 10.15 Tarzan.

11.10 Winners and Losers. 11.35 Tali Me Why, 12.30 pm Lifestyle. 1.20 Calendar News. 2.00 Friday Film Matines: "Quick, Lor's Gat Married." 5.15 Sam. 6.00 Colendar (Emley Moor and Belmont editions), 6.35 Calendar Sport. 11.15 The London Rock and Roll Show. 12.10 am Police Surgeon. Today. 6.25 Shipping forecest. 6.30

9.05 Story. 11.90 Down Your Way. 11.45 oung Listen with Mother. 12.00 News. 12.02 pm You and Yours. 12.27 My Music them (S). 12.55 Weather: programme news. 1.00 The World at Ons. 1.40 The BBC Archers. 1.55 Shipping forecest. 2.00 Ays. Story Time. 5.00 PM: News Magazors rine. 5.50 Shipping forecest. 5.55 Weather: programme news. 6.00 News. 1.30 Going Places. 7.00 News. 7.05 ideal of the Archers. 7.20 Pick of the Week (S). 8.30 Going Places. 7.00 News. 7.05 ideal The Archers. 7.20 Pick of the Week (S). 8.10 Profile. 8.30 Any Questions? Inches 19.30 Week Ending (S). 10.55 Friz on Friday. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 John Ebdon Just Batore Midnight. 12.00 News.

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BBC-2 11.00 am). 4.20 Hong Sponcyn. 5.35-6.20 Wales Today. Kong Phooey. 4.30 Jackanory. 6.55 Heddiw. 7.25 Tom and 4.45 Horses Galore. 5.10 Grange Jerry. 7.40-8.30 Star Trek. 10.15 Kane on Friday. 10.45-10.50 Regional National News. Scotland 5.55-6.20 pm Report-ing Scotland 10.15 Spectrum: Poet with a Camera (Margaret

10.45-10.50 Regional, National News. England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth). 10.15-19.45 East (Norwich) In The Country; Midlands (Birming-ham) Where Is Lucy? North (Leeds) Springtime with Geof-frey Smith at Springfields, Lincolnshire: North East (New-F.T. CROSSWORD PUZZLE No. 3,863 castle) Friday North; North West (Manchester) Unlucky For

South (Southampton) A Year From Now ...; South West (Plymouth) Peninsula; West (Bristol) XTC.

BBC 2 11.00 am Play School. 3.20 pm Tennis: Braniff Airways World Doubles Championship.

5.30 News on 2 Headlines. †5.35 Charlie Chaplin in "The Cure."
6.05 Mathematics into Lictures

7.05 Mid-evening News. 7.10 Maidens' Trip

\$.30 Country Game. 9.00 Pot Black 79. 9.25 Film International: 'Cousin, Cousine." 11.00 Jazz from Montreux

11.50 Late News. 12.05 am Closedown. (Reading.)

LONDON 9.30 am "Tarzan and the Jungle Boy." 11.50 Nobody's House. 11.30 Westway. 12.00 A Handful of Songs. 12.10 pm Stepping Stones. 12.30 Dynomutt Stepping Stones, 12.30 Dynomutt
1.00 News, plus FT Index. 1.20
Thames News. 1.30 Sounds of
Britain. 2.00 Friday Matinee:
"Roll Freedy Roll," starring
Tim Conway. 3.20 Heart to
Heart. 3.50 The Sullivans. 4.15
The Doombolt Chase. 4.45
Magpie. 5.15 Thames Sport.
5.45 News.
6.00 Thomas at 5

6.90 Thames at 6. 6.30 Father Dear Father.

7.00 The Muppet Show. 7.30 Sale of the Century.

8.00 General Hospital. 9.00 Best Sellers. 10.00 News. 10,30 Best Sellers (continued).

RADIO 1 (\$) Storeophonic broadcast \*\*Medium Wave only 5.00 am As Radio 2. 7.02 Dave Lee Travis. 9.00 Peter Powell. 11.31 Paul Burnett. 2.00 pm Tony Blackburn. 4.00 Andy Peebles. 5.30 Newsbeat. 5.45 Kid Jensen. 7.30 As Radio 2. 10.02 The Friday Rock Show (\$). 12.00-2.04 am As Radio 2.

RADIO 2 RADIO 2

5.00 am News Summary. 5.02 David Allan (S) including 6.15 Pause for Thought. 7.32 Tarry Wogan (S) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 10.02 Jimmy Young (S). 12.15 pm Waggoners' Walk. 12.30 Pete Murray's Open House (S) including 1.46 Sports Desk. 2.30 David Hamilton (S) including 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Take Your Pertnars at the Radio 2 Ballroom (S). 8.02 Ronnie Aldrich conducts the BBC Radio Orchestra (S). 4.00 Crebstra, part 2.00 Radio Orchestra (S). 8.45 Fridsy Night is Music Night (S). 9.55 Sports Desk. 10.02 Treble Chance. 10.30 Fissta de Dorita with Los Persaguayos.

9.35 am Dynomut:—The Dog Wonder. 10.00 Wilkie on Water. 10.30 Take a Bow. 10.50 You Can Make It. 11.15 Where the Hell Are We? 11.40 Oscar. 11.55 The Sweet Sugar Doughnut. 12.30 11.02 Tennis. World Chempionship Doubles (report). 11.04 Brian Matthew introduces Round Midright including 12.00 News. 12.02-4.00 am News Sur RADIO 3

. HTV

RADIO 3

5.65 am Weather. 7.00 News. 7.05

Overture (5). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05

This Week's Composer: Schumann (S).

10.00 Holiday Special (S). 10.20 Young Artists Rectial (S). 11.20 Music for St. Mark (S). 12.05 pm BBC Northern Symphony Orchestra, part 1 (S). 1.00

News. 1.05 Playbill (S). 1.20 BBC Northern SO, part 2 (S). 2.05 Interval Reading. 3.00 Concert, part 2 3.40

Bruckner (S). 4.50 Young Composors 78 (S). 5.45 Homeword Bound (S). 36.30 News. \$6.35 At Home: Schnabel plays Beethoven. 7.30 Scottish National Orchestra, part 1. Leighton (S). 8.25

Poetry Now. 8.45 Scottish National Orchestra, part 2: Schubert (S). \$4.00

Stories on 3. 10.00 Oebussy plano rocital (S). 10.50 BBC Symphony Orchestra (S). 11.55-12.00 News.

6.00 am News Briefing. 6.10 Ferming

9.30 am Friends of Man. 10.00 The Volln. 10.30 Take a Bow. 10.50 You Can Make It. 11.15 Where the Hell Are We? 11.40 Oscar. 11.55 The Sweet Sugar Doughnut. 12.30 pm Lilestyle. 1.25 News and Road and Westher. 2.00 Friday Madraes: "The Family Nobody Wanted." 5.15 Mr. and Mrs., 6.00 Scotland Today. 6.30 Steve Jones Illustrated. 7.30 Christian. 9.00 Vegas. 10.30 Ways and Mean. 11.00 Late Call. 11.06 Appointment With Fear: "The Psychogath."

SOUTHERN

TYNE TEES

9.30 am The Good Word, followed by North East News Headlines. 9.35

Spiderman. 10.00 Wilkie on Water. 10.25 Take a Bow. 10.50 Clue Club. 11.10 Where the Hell Are We? 11.40 Oscar. 11.55 The Sweet Sugar Doughnut. 12.30 pm Lifestyle. 1.20 North East News and Lookeround. 2.00 Friday Film Malinee: "Message to my Drughter." 5.15 Mr. and Mrs. 6.00 Northern Life. 6.25 Sportstime. 11.15 The London Rock and Roll Show. 12.10 am Police Surgeon. 12.36 Epilogue.

ULSTER

Today, including 6.45 Prayer for the Day, 7.00, 8.00 Today's News. 7.30, 8.30 News Headlines. 7.45 Thought for the Day. 8.45 Granny's Village. 9.00 News, 9.05 Baker's Dozen. 10.00 News. 10.05 From our own correspondent. 10.30 Daily Service. 10.45 Morning Story. 11.00 Down Your Way. 11.4 John Ebdon 12.00 News.

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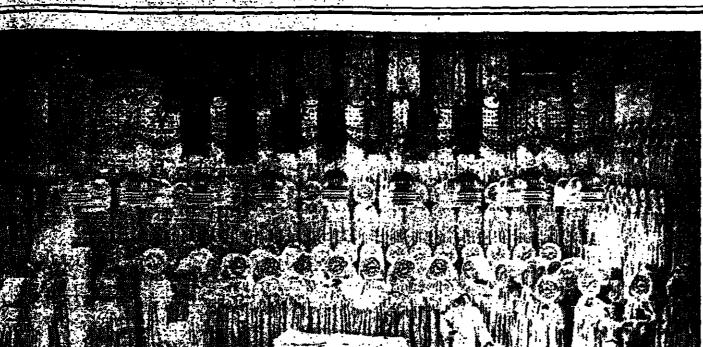
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Scene from L'Heure espagnole

### A visit to La Scala

by MAX LOPPERT

Returning to La Scala after a rise to the surface; more with the producer: Boccanegra's were parading about the scene) long absence is an extraordinary characteristic appear to be those discovery of the dead Maria, an for the magical-fantastic pleaand in some ways a curiously others connected with mediocre paradoxical experience. Outside, solo and choral singing, limp a wintry Milan, dressed in mud-orchestral execution, halfstained snow, may present a hearted dramatic postures, and grey, tense face, depressed and a generally vigorous intervention

ions i me ago.

:00::::a:-

in Snowconi

what toned down, this seems to be still the most self-assuredly inxurious opera house of all It is in all those extras that

the roving eye adduces the regal self-assurance: all those whitegloved attendants, massed in the foyer and then in the stalls in surely greater quantity than in any other theatre, showing the on any other important operatic foreigner to his seat with that stage. well-studied and invariably effective Italian combination of would certainly place Simon faintly abstracted courtesy and Bocconegen — the collaboration

style of the theatre—perhaps, Verdi atagings of our day; the now, less ostentationally opulent unity of tone, intention, and in dress than in previous response achieved between decades—(the eggand-fruit stage and pit is a feature not throwing students of the late only rare and remarkable intentionally remarkable in testing and early 70s have left a itself, but one that goes to the permanent mark on the mocurs. heart of a much-loved but "different modes of Scale days included." Verdi oners. Indeed. still in need of the encouragesome high-up tier, and still prey opera belonging to two widely to sudden bursts of exuberant separated periods of composi-and gladdening enthusiasm. In tion—difficult no longer. all this show—a thing as it were Encountering the opera a apart from the quality of the couple of performances after actual performances—there is the start of the revival, one vividly apparent the sense of a house that has long believed itself first in the operatic world and continues to do so.

When I was a regular Scalagoer, during 1971-72, the clash between the style of the place and the content of its artistic achievements often seemed great From a roll-call of operas seen that season, by Shusta-kovich, Gluck, Verdi, Puccini (hedini - Mozart Strauss and Saint-Saëns, few happy memories

depressing, suitable backdrop only by prompt and claquefor some of the more easily
visible urban dramas of any major opera house should
economic and political have permitted. But that was
uncertainty in crisis-ridden before the artistic directorship
Italy. Inside, and until the of Claudio Abbado had taken
glittering impression of the first
half-hour or so has been something and in the splitt of easy thing (and, in the spirit of easy generalisation with which this notice commenced, it will do so), it is that the Scala has once again its great evenings, worthy of all the external trappings and its long-standing reputation, and that its failures are no more notable or significant than those

In the former category I

petmanent mark on the moeurs, heart of a fauch-loved but "dif-and modes of Scala first nights); ficult "Verdi opera. Indeed. but still slow to settle down, performed with such sovereign. quick to display impatience and simplicity of means, such dark, quicker to rush for the exits at subtle economy of statement, the first fall of the final curtain; the great Genoese drama is — still in need of the encourage for all its complications of plot ment of that hard-working detail, and despite the dicho-claque placed strategically in tomy in musical style of an

> could perhaps remark a small want of absolute breadth and concentration in the dramatic unfolding for which the evidence might be a certain looseness in the stage management of the problematic final act— Frigerio's great sail failed to drop its complete distance, and the Doge's death, with his reassumption of sailor's clothing, was awkwardly enacted. And there remain small points over which issue could be taken

Schiavi) as first cousin to Victor Hugo's hunchback.

tion and execution, a quality of sombre velvet richness in the shades that is the foundation of the production, these points of nitpicking count for very little. in the scrutiny of every musical

singers-the prodigiously longeven-toned Piero breathed. passing dramatic inattentiveness music. that belong to the lesser mem-

The surprise element was the Maria-Amelia of Kiri te Kanawa, making on this occasion her Scala debut. From the 1973 Garden Воссапедта revival one was already pre-pared for the finesse and beauty of her performance, the complete way in which her full, serenely shining lyric soprano shaded in a role often left shadowy and even marginal by less prodigally gifted singers. What could not be predicted was the full-throated ease with

which the voice accommodated itself to the size of the stage and the theatre, the effect of a presence at the very least as definite as the other, more experienced participants in the production. Only in stray glances directed to the conducwas there an occasional sign that she had not rehearsed for long hours with producer and conductor. The delight one took in such small things as the liquid, perfectly executed trill that closed the big F sharp major ensemble could not be ascribed solely to chauvinist

The next night brought the Scala failure referred to earlier, a revival of the Ravel double bill staged, in a spirit of frigid chic, for the composer's centenary by Jorge Lavelli and his regular designer, Max Bignens. The problem began with the moments when all the animals trenchantly to convey them.

discovery of the dead Maria, an for the magical-fantastic pleaoffstage event brought with in- sures of L'Enjant et les sortigenious pointlessness onstage, leges; in the former, the players or the conception of the vil- tended to rattle about on that lainous Paolo (however strongly unkindly capacious stage like played and sung by Felice five miniature peas in a gigantically overgrown pod.

Yet it is just conceivable that Set against the magisterial the effect of all this vastness splendour of the musical direc- could have been mitigated by a producer determined to render intact the particular fantasy of orchestra in an infinite variety each opera intact while enlarg-of muted bues and subtle ing the dimensions of the stage activity, Instead, Lavelli, a theatre man whose inventiveness, sometimes striking, often Abbado's mastery of the music irritatingly unmusical, has been seemed even more searching, chronicled on this page in more various, more considered notices of his Angers Idomeneo. Paris Faust, and Aix Festival marking, than on the DG record- Alcina, placed both pieces in the ing of the Scala Boccanegra. same sterile all-white box con-With that recording, the cast of tainer, complete with white costhe evening shared three tumes, white props, white lamps and light-fittings, and white hackdrops. For a while, the having reach the ceiling of the Cappuccilli, a distinguished visual style held its own fascinafaintly abstracted courtesy and Boccunegen—the collaboration cappuccilli, a distinguished of Abbado, producer; Giorgio performer deeply involved in the tion; thereafter, colour starvation, severely magniful principles and designer Ezio auditorium, severely magniful principles and designer Ezio and the manner wived in Milan for the first time of greatness of soul; Nicolai with the detail of its decoration—since its triumphal tour of Ghiaurov, whose big bass rolled the detail of its decoration—since its triumphal tour of Ghiaurov, whose big bass rolled the tion set in. In L'Heure expansion, the stage was filled with humanoid clocks in monawith the detail of its decoration—since its triumphal tour of Ghiaurov, whose big bass rolled the tion set in. In L'Heure expansion, the stage was filled with humanoid clocks in monawith the formanoid clocks in monawith humanoid clocks in monawith humanoid clocks in monawith records. Follow-ups to both are on their surreal leanings and stage was filled with humanoid clocks in monawith the formanoid clocks in monawith records. Follow-ups to both are on their surreal leanings and stage was filled with humanoid clocks in monawith the formanoid clocks in monawith humanoid clocks in monawith records. Follow-ups to both are on their surreal leanings and stage promised — inevitably, in this sequel conscious age promised — inevitably at the formanoid cloc ness. errant intonation, and ish wit that one so loves in the

> and rather unpleasant evening on its own terms efficient and boldly undertaken, but hardly entertaining, hardly likely to persuade people previously unacquainted with the works that there is music of lasting value therein, at least in L'Enjant, With a Boulez to draw militant exactitude from orchestra and chorus, a "case" might more effectively have been made for the Lavelli-Bignens approach; Georges Prètre, melting the precision of Ravel's rhythms to goo and reducing the clarity of his timbres to cloudiness through the stop-go, push-pull vagaries of his beat, was hardly a fit exponent of the operas on any terms. (It was sad to hear the chorus, so noble and robust the previous evening in Verdi, making a mush of "Il est bon, l'Enfant.")

Neither was the casting of the operas on a very exalted level. Nadine Denize (Concepcion) and Jacques Mars (Ramiro) comprised the entire French contingent, both strong of voice and forward if notably unsubtle of manner. For the rest, and particularly in the second opera, there was much Italianate French, crudely rough vocalism, and inexact playing. Once again, it was not merely for reasons of chauvinism that one relished the brief appearances of Gerald English as Teapot, Arithmetic and Frog: theatre itself, almost laughably for he showed himself one large for the elaborately of the few participants with mechanised farce of L'Heure a clear notion of what his espagnole and (except for those parts meant, and how most

Head Theatre Club

### Jeeves takes charge

by B. A. YOUNG

adaptations of Wodehouse her headmistress. stories on the Master's dialogue, The first of the two stories he for the true heart of Wodehouse gives us is told in the first perlies not there but in the narra-son by Bertie, and there he is tive between. There was a in his rather sprightly young silence you could have dug bits check suit, an eyeglass in his out of with a spoon" is not a eye, a cocktail-glass in his hand, conversational phrase, whatever an Old Etonian tie round his neck. In the second, he is Jeeves at the Head Theatre Club, that in proper black, his voice half comfortable upper floor of the an octave lower, his speech too White Hart by Putney Bridge, is correct even for that paragon, scriptless dramatic reading

rather than drama. He does it very takingly, single-handed, adopting the personalities of his characters in-

Edward Duke is enough of a Jeeves, but Lady Florence Wodehouse expert to have pub- (Bertie's one-time fiancée) lished a play called What Ho, Edwin the Boy Scout, Uncle have been harnessed for its mak-Wooster. He is wise enough Willoughby, Peggy the teenage therefore not to have based his schoolgirl and Miss Tomlinson

who would surely not have made siphon rhyme with gryphon, or

as a long vowel. At the end of the week, Mr. stantly as they appear in the Duke goes to the Young Vic terior." The most original film stories. He does not only Studio. Aficionados will find of 1978 was Bob Dylan's weird-encompass Bertie Wooster and him worth pursuing there.

Cinema

### On with the flicks by NIGEL ANDREWS

year in which the diving graph- a compass to negotiate a way line of movie attendances in through Dylan's wild and thorny appealing, even compulsive, on Britain—and over most of the mixture of documentary, musi- a second viewing. Western world-suddenly took cal, autobiography and morality an upward turn. A casual look play. The film rewards patience at the year's box-office Top 20 in the UK might delude one into tribute to-and dissection ofthinking that there were two simple reasons for this Renaissance: (i) Outer Space and (ii) John Travolta. Two hugely successful Space movies occupied positions one and three in the charts—Star Wars and Close Encounters of the Third Kind. And two hugely successful John Travolta vehicles — Saturday Night Fever and Grease—slipped

into places two and four.

Trend-prospectors eager to generalise from the particular, however, and to see this as signifying a broader vote of confidence in two modernist genres-Science Fiction and the " Disco." Movie - will be disappointed. Our movie screens, heaven knows, were bombarded with the latter in 1978. I Wanna Hold Your Hand, American Hot War. FM. Thank God It's Friday and others too numerous and noisy to mention. The "live" musical. that near-forgotten institution in which song-and-dance routines were entrusted to the talented and fallible resources of on-thespot performers, has been elbowed aside by the soulless technological perfectionism of the loudspeaker musical; in which an inchoate and flavourless storyline has poured over it, like sponge pudding with syrup. the all-saturating sweetener of a non-stop off-screen disc soundtrack.

British audiences - three cheers for their taste — didn't take kindly to the genre. None of the disco movies reached the Top Twenty except Saturday Night Fever, and it was Travolta's magnetism rather than the film's distinction that pushed it there. Travolta's other film, Grease, was partly a disco movie, parily an odd, endearingly over-energetic regression to the all-singing, all-dancing traditions of yesteryear — with a 1950s setting to boot.

To the Outer Space phenomenon the same applies. The mentioned - Star Wars and Close Encounters - which, year's box-office achievements,

mon denominator among the following hit movies?: Revenue of the Pink Panther, The Rescuers, Abba The Morie, The Gauntlet, The Stud, The Deep, Herbie Goes To Moute Carlo, A certain far-fetched escapism is the only quality common to most of them-any Geiger counter testing for social realism could pass over them all without a bleep or murmur. If television's speciality is a cosy, head-and-shoulders naturalism—the soap opera, the news programme, the chat show—the popular cinema is capitalising more and more these days on its ability to dispense the exact opposite: exotic pot-pourris of fantasy, spectacle

and technical bravura. A trend dimly visible in the films released in 1978 becomes harder and more distinct, like a photograph in the developing tray, when one considers the films being made during 1978. lt was a busy year for the British studios, chiefly because they were overrun by an invading and benevolent army of American productions. Superman was at Pinewood for most of the year. A ten-million-dollar Science Fiction film Alicaten-million-dollar American-financed but directed by Britain's Ridley Scott (of The Ducllists)—has been occupying Shepperton and Bray Studios. And other movies in production in Britain in 1978, and promising their full share of showmanship and pyrotechnics, included Arabian Adventure, EMI's starstudded stab at Scheherezade, Peter Hyams's Hanver Street, a story of the London Blitz, and Kubrick's The Shining, a macabre tale of the occult set

The film-maker's quest for spectacle is invigorating when it relief in Superman: hilarious or depressing when it doesn't, as in Irwin Allen's The Swarm. Allen's multi-megaton fiasco promised to be the longestrunning loke of the year. Speaking as one who watched it being filmed at Warner Brothers Studios in 1977, when the entire resources of Hollywood, both human and insurt, seemed to ing, I find the result sad as well as funny. The absurd procession frayed-at-the-edges movie cliches unrolls for two hours without even the saving distinction of good special effects or a

serviceable storyline. But The Swarm was the only film that fell flat on its face in a year in which the cinema hurdled most of the old technical obstacles with spirit, and raised a few still more challenging ones for the future.

I have culled my personal Top. Ten from films that combined a pronounced the indefinite article novel, adventurous, sometimes even dazzling surface with a intelligent thoughtful,

and hard work, for it's a massive you. This story of a Canadian

A polyglot quartet of period liant showcase for the films—"period" in more than talents of Craig Russell. one sense since, though new to Britain, their ages range a variegated trio of successes from one to six years oldmaterialised in London in 1978. Borowszyk's The Beast, Vis-pah's Convoy, a virtuoso conti's Ludwig, Fassbinder's Effi comedy-cum-action-thriller, rose Briest and Ridley Scott's The Duellists all showed how the best historical films can both Michael Crichton's Coma was a dazzle the eye and satisfy the

Wim Wenders's The American Hitchcock's nominal Friend is one of those Damascene experiences that make a
critic's job both fascinating and
unnerving. I did not like the
on which most film critics adaptation of a Patricia High-revelation to this reviewer: the smith thriller when I first saw best animated feature since

mirabiles for the cinema: the oneself in: one needed maps and lyricism, totally against the hymn to the English country-Hollywood grain, becomes

Richard Benner's Outrageous takes no time at all to grow on homosexual-cum-d r a g-artist is the key idealistic social and the first "gay" film to combine political movements of America propoganda with a sense of humour, and it provides a brilliant showcase for the cabaret The remaining three films are

plucked from the mainstream of popular conema. Sam Peckinto twelfth place in the UK charts and deserved higher. Hitchcockian thriller light years ahead of anything made by

German director's slow, moody poured drizzling scorn, was a

But its introspective Disney and an exquisite visual

So here, set out un-invi-diously in alphabetical order, are my Ten Best Films for 1978: The American Friend

The Beast Coma Convoy The Duellists Effi Briest Ludwig Outrageous Renaldo and Clara Watership Down

Mark Rappaport's The Sceme Route slips into London a few days too late to qualify for 1978 Top Ten, but is an early contender for the 1979 awards. After a royal progress through last year's major European festivals-I wrote about it from Cannes-this brilliant set of variations on the American Way of Love comes to the Scala cinema as a New Year present. It should be snapped up by

Set in New York, the film concerns a three-way love affair involving two girls and a man. It does not so much tell a story as take an archetypal dramatic formula—the Eternal Triangle
—and throw it into the deep end of different movie styles. Ciné-vérité realism, 1940s film noir, 1950s women's weeples (school of Imitation of Life). even the Hollywood musical jostle in unholy alliance in a wild but never less than mischievously ingenious blend. Rappaport plays beguiling tricks with the eye and the ear—snatches of opera clide with popular songs, realistic back-grounds are revealed as painted backdrops—and his Pirandellian games with reality offer, in generous helpings, both heady entertainment and deep food for thought.

#### Complete string quartets of Shostakovich

All 15 of Shostakovich's string quartets are to be performed by the Fitzwilliam String Quartet at the Wigmore Hall during February and March.

The series will begin on February 10 with a lecture on the quartet cycle by Mr. Alan George of the Fitzwilliam Quartet. This will be followed by a performance of the quartets

### No. 1. No.4 and No. 3. One to be seen: 'Watership Down A FINANCIAL TIMES SURVEY

### COMPUTER INDUSTRY

February 19 1979

The Financial Times proposes to publish a Survey on the Computer Industry. The main headings of the provisional editorial synopsis is set out below.

INTRODUCTION As computer technology becomes more dependant on telecommunications and vice versa companies which served these previously separate markets are coming into closer competition.

The major companies

New entrants

IBM and the plug compatible manufacturers

The main computer markets

The rise of Japanese computing

European National policies

The UK strategy

Office systems and distributed

computing

Banking

Memory

Peripherals Bureaux

Services

Security and Privacy

Computers for the masses

Artificial intelligence

Robots and industrial automation

Computer aided design

Implications for employment

Future trends in the technology

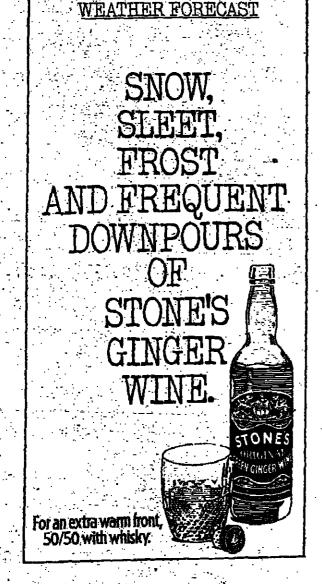
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### FINANCIALTIMES

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Friday January 5 1979

# Back to the pig trough

George Orwell put this aspect are equal, but some are more equal than others." Both these observations, discouraging as they may seem, serve to put our present troubles into some sort of perspective. They are not so much an outbreak of anarchy as a return to normality, with all its faults.

#### Pious hope

It has always been clear, in fact, that the anomalies caused three years of roughty egalitarian wages policy would be to some extent disruptive; the pious hope for an "orderly return" to free collective bargaining was never more than a pious hope. The hope that a year of rapid recovery in real incomes would serve to pacify all those who are normally militant proves, with hindsight, to have been just as misguided. Groups who have normally felt able to assert a strong bargaining position did voluntarily restrain themselves for three evident national emergency. The decline in inflation and the recovery of real incomes was read, quite naturally, as a sign that the emergency was over, and that they could safely reassert their "rights."

The strikes and excessive settlements which are now in the news raise two issues which are readily confused, but are in fact largely separate. The first investment and growth, which will result. The second, now being raised by some of the less patient front bench spokesmen of the Conservative party, is whether the powers and immunities of the trade unions are now excessive.

some years past. While the for change.

THE UNDIGNIFIED tussle demands of especially militant over wages which is now dis-rupting various sectors of our much publicity, the admittedly economic life has been sourly tentative evidence of average described by one trade union settlements provided by official leader as "a return to the statistics and by the Confedera-philosophy of the pig trough." tion of British Industry is much tion of British Industry is much less dramatic. There does in of socialism in action rather fact seem to have been a posi-more elegantly: "All animals tive response to the slowing of inflation; the less militant groups, and those most con scious of competitive pressure on their industries, are willing to settle for a good deal less than militant truck drivers or broadcasting technicians. their own real incomes seem reasonably secure, they can tolerate others getting more.

amount world wide.

Court, London, yesterday.

instruments for the rich ocean

racing skipper or the long distance cruising enthusiast are

now being supplemented by con-

which makes sailing much more

Furthermore the continual

the application of techniques

from aircraft and military equip-

ment is producing some spec-

Indeed a yachtsman can now

less than £200 and will become

yachts in the next few years.

This equipment alone will make

yachting seem a much more

"civilised" sport to many people

who would not otherwise have

The wide grey sea can appear

much less frightening and more

matey to someone who is able

to chat to other yachts over

the horizon. He can also use

the equipment to ask his posi-

tion from a passing steamer,

bound wife or even the office.

Even five years ago, deep-sea

corner of their soul for the

romantic enjoyment of loneli-

and thus expand the potential

considered it.

cost

formance with steady reductions in real terms.

Average.

If this pattern were to persist, the outlook would not be too discouraging. Once the stresses of the last three years are relieved, the militants might themselves become less assertive, and the Prime Minister's hope of a three-year programme to reduce inflation below 5 per cent would possibly begin to look achievable. However, there are some very awkward corners to be negotiated before this is more than wishful thinking. Above all, it may be necessary to confront some immoderate claims in the public sector. The difficulty is not so much of willpower-the Prime Minister no doubt realises as well as Mr. Heseltine that it is popular to stand up to the unions-but of finding a defensible and rational line behind which to entrench now that 5 per cent has been breached.

#### Union privileges

For the longer haul, the Government should reassert the sound policies it was propounding recently of monetary control is the likely impact on inflation, and a relatively strong exchange and thus the damage to future rate, and educating the public in its consequences; higher settlements mean lower growth and fewer jobs. Public sector pay, related to the actual growth of revenue, should be determined if possible towards the end of the annual wage round. Finally, union privileges, now The immediate inflationary to be consolidated in yet another implications of the breakdown Government bill, may have to be of restraint are quite impossible reviewed. Here there is no need of restraint are quite impossible to estimate at this stage. A to rant or to act in haste: it is reassertion of differentials and the unions, when they strike of relative bargaining strength against the sick, or harass the important, to put out a distress signal. The VHF set is also a public instead of their public instead of their in communication with a shore in communication with a shore to explore the public instead of their in communication with a shore to explore the public instead of their in communication with a shore to explore the public instead of their in communication with a shore to explore the public instead of their in communication with a shore to explore the public instead of their in communication with a shore to explore the public instead of their incommunication with a shore to public instead of their incommunication with a shore to public instead of their incommunication with a shore to public instead of their incommunication with a shore to public instead of their incommunication with a shore to public instead of their incommunication with a shore to public instead of their incommunication with a shore to public instead of their incommunication with a shore to public instead of their incommunication with a shore to public instead of their incommunication with a shore to public instead of their incommunication with a shore to public instead of their incommunication with a shore to public instead of their incommunication with a shore to public instead of their incommunication with a shore to public instead of their incommunication with a shore to public instead of their incommunication with a shore to public instead of the public instead of the

### Paying for the lorry

THE LICENSING of road long-term aim for a common haulage vehicles has been in almost continuous development for almost half a century during which both the system and its objectives have changed. Beginning as a device to protect the railways from the consequences of a statutorily-imposed charging policy, with road safety only as a subsidiary objective. it quickly evolved into a system the primary function of which was the protection of the established road haulier. Yet in practice it achieved peither of these objectives effectively, largely because of the virtually unconditional grant of licences to manufacturers and traders carrying their own goods in their own vehicles.

Ten years ago, following the report of the Geddes committee, the basis of the licensing system was fundamentally changed. Quantity controls on the vehicles operated by professional hauliers gave way to a system of quality controls on operators alike which left them free to compete for the available traffic provided they observed specific standards of safety and efficiency.

#### More liberal

This decision, another committee led by Professor Christopher Foster has nowrightly-concluded, was basically sound. The committee rejects arguments in favour of restoring quantity controls to protect the railways, on the lines traditionally used in some West European countries, or to protect the environment from the growth in the numbers of lorries. Since the railways were freed of the old Victorian restrictions on their charging policies some 20 years ago, road and rail operations have tended to become increasingly complementary and rather less directly competitive.

European Commission has a society are prepared to pay adopted a similar policy as its for.

transport policy.

Nevertheless, while the basis of the present system is sound, the committee believes there are many ways in which its detailed application could be improved or extended. Probably the most obvious need is to tackle the problem of illegal (or "cowboy") operation. This appears to have increased as the cost of operating legally has risen and, apart from attracting a criminal element, does considerable damage both to the reputation and the profitable operation of the industry According to the committee, the answer lies partly in tougher enforcement measures, such as impounding illegally operated vehicles and extending roadside checks to weekends, nights, and on to motorways, and partly by requiring all lorries and trailers to carry in a prominent position a special licence plate.

#### Social costs

More controversial are the parts of the committee's report which discuss the environmenta impact of heavy lorries. It suggests this is a matter which can mainly be tackled by measures outside the licensing Institute of Race Relations, he system, such as controls on fought a long, but vain, battle and cheerful in face of difficultorry noise and smoke, parking, to stop militants from turning ties." Difficulties there certainly loading, waiting and access and by improving the road system. But it believes licensing could play a part if the licensing authorities were required to have regard to the impact upon the local environment of an applicant's operating centre.

These proposals are unlikely to still the argument: in any case many issues—the vexed question of lorry weights, for example-lay outside the committee's terms of reference. It does however suggest that there should be more research into these environmental issues, including the effect of axle loads on road surfaces. This is a sensible idea which could lead to a more rational debate. Not all the "social costs" imposed Other countries, notably by lorries—and by other forms France and the United States, of traffic—are readily quantifihave been moving towards a able. But at the end of the more liberal approach to day the question is how much haulage licensing, and the improvement in amenity we as

# An electronic boost for the yachtsman

BY MAX WILKINSON



A modern pleasure cruiser fitted with a Decca 110 radar system at the Boat Show yesterday

practicable for a family or for helped by the comparatively the inexperienced. simple electronic depth meter which makes coastal navigation much easier and safer. This was able to the landsman is the dedevelopment of electronics and the first of the popular electrolopment in the last few years tronic aids which are now of low-cost automatic steering beginning to change the charactacular improvements in per- ter of the sport. A depth sounder for only about £100. costing only £23 was introduced in 1963 by Electronic Lab-oratories of Poole just as yachthave a range of navigational ing was beginning to emerge as

and communications equipment a truly popular sport. resulted comparable in performance to that installed in medium sized This emergence mainly from the development of commercial and fishing vessels at resin glass fibre hulls which were strong and leakproof and the beginning of the last decade.
For example, two way VHF of reliable small diesel engines. However, the adoption of mass radio transceivers, already quite common, can now be bought for

production techniques and powerful engines (even in sail-ing yachts) could not alter the almost standard on seagoing fact that navigation was always a difficult art, requiring considerable dedication to master. Electronics is now reducing

that obstacle by making navigation relatively easy. The official wisdom that electronic gadgets are only an aid to traditional methods must soon give way to the attraction of new instru-

Last year, for example, a new radio direction finding set was introduced by Aptel, subsidiary from radio beacons up to 50 miles distant. All the navigator

This system, which was a ness and danger. The introduction of two-way radio into small electronics, depends on a frequency synthesiser and other important business even for a yachts will greatly reduce both micro-circuits developed for the company like Decca which made aircraft industry. The price of its reputation from supplying The very rapid growth in this type of instrument will fall the world's large merchant

decade has already been greatly years. It will greatly alleviate these smaller units are running the yachtsman's greatest worry -the fear of getting lost.

Perhaps even more remarkof low-cost automatic steering devices, which can be bought

Electronic aids can generally only be made cheap enough for yachtsmen if they are manufactured in large enough volumes to serve a world market. Fortunately for the UK it is a section of industry in which British companies have secured a strong, even dominant, position. Sales of electronic equipment

for the small boat industry are estimated to be around £100m world wide. Precise figures are difficult to obtain, partly because the distinction between yachting equipment and that used in smaller commercial vessels is becoming blurred. The three most important UK

companies in the field are the fast growing Electronic Labora-tories, subsidiary of the Brocks Group (formerly makers of burglar alarms), Decca and Brookes and Gatehouse, now owned by Unitech.

All three are heavy exporters. Decca still dominates the marine radar market with a worldwide sales. It is, however, being strongly challenged by Japanese manufacturers as well sailing was predominantly the has to do is to press a few as by Electronic Laboratories, sport of those who reserved a buttons and read a compass which makes the cheapest system available in Europe.

> The sale of small radars to major advance in small boat pleasure yachts and fishing boats has indeed become an

siderably cheaper equipment popularity of yachting in the past substantially in the next few fleets. World-wide sales of at probably about 30,000 units or more a year.

UK BOATING INDUSTRY SALES

EUROPEAN BOATING

INDUSTRY PRODUCTION 1976\*

Germany among the most impor-

companies, many of them with

Some have developed impressive

to maintain the high reputation

of the UK boating industry

exports at the current level of

Netherlands

tant markets.

105

A radar set for a supertanker now costs between £25,000 and £30,000, but at present scarcely supertankers are being To achieve the same revenue, therefore, Decca must sell smaller units for patrol boats, fishing boats or yachts. world slump in merchant shipbuilding is therefore pushing companies like Decca more and more towards smaller sized

At the same time companies like Brookes and Gatehouse which developed mainly from sales to yachtsmen, are now looking upwards towards the commercial vessel market.

Mr. Charles Kirkman, sales manager for Brookes and Gatehouse explained: "The use of the micro-processor and other miniature electronics is going to produce a revolution in our industry over the next ten years. However the effect of the micro-processor will be that we will have to sell many more of each standard instrument to justify development costs."

For Brookes and Gatehouse, which developed an inter-national reputation for very rugged, high quality instruments panies there are a large number expansion route is towards commercial shipping. Electronic sales of less than £500,000. Laboratories, on the other hand, seems determined to remain the new products which have helped "Marks and Spencer" of the boating industry. Its strategy is to achieve high volume sales by abroad and to maintain total aggressive cost cutting as far as

manlike quality. tronics industry's total produc-For both companies exports tion is about £26m a year, of avoid being hemmed in by the represent more than 80 per cent which a high proportion is of total sales, with the U.S. and exported.

the first low-cost automatic pllot. of which it has now sold 15,000 units. Aptel scored an im-portant first in the world market with its direction finder. Mariner Electronics, a small South Coast company, is another example of an entrepreneurial effort which has achieved sales of £500,000 during the last five years, of which 72 per cent is In spite of its recent success

The smaller companies in-

clude Nautech, which developed

the marine electronics industry now faces two general uncertainties. The first and most obvious is a consequence of the general stagnation of the boating industry. The rapid increase in popularity appears to have been checked partly because it congestion in yacht harhours, and partly because of competition from other leisure indus-

The question therefore is whether advances in electronics will continue to help make yachting attractive to the unconverted at a similar pace to that achieved by the use of glass fibre and diesel engines during the 1960s. The very high cost of resins, which resulted from the increase in the price of oil, has also had a restraining effect.

The advance of new sections of this market, including that for marine clocks, specialised calculators and tape recorders and navigational equipment, will depend upon the boating in dustry as a whole maintaining enough forward momentum.

The other uncertainty is whether the smaller UK com-panies will be able to survive if the market becomes profitable enough to attract some of the larger international electronics companies.

Already there are signs that this is happening. Texas Instruments with its formidable reputation for driving down prices of consumer and office. electronics, is now marketing its very competitively priced Loran C navigation system at about £2,000. This system uses a radio network to give a continuous automatic reading of a vessel's position. Although this product is clearly aimed at the smaller commercial vessel and larger yacht market, it shows that Texas is keeping a sharp look out for chances of putting its. products afloat. Marine calculators are already available, which ource: International Council of Marina Industry Associations can allow navigators to dispense entirely with nautical almanacs. and trigonometric tables. It may prove comparatively easy for Texas to develop marine pro-Besides the three larger comducts like this as a spin off

> Pacific, the Japanese, with avery large fleet of small fishing. boats have developed a widerange of marine electronies including radar.

from their other operations.

UK companies will therefore have to move rapidly if they are that is compatible with work- £100m. The UK marine electo exploit the larger and more lucrative marine markets and specialist requirements of racing yachtsmen.

### MEN AND MATTERS

#### Caine climbs from the kindergarten

Michael Caine was in quite a muddle yesterday, just as he was named the next chairman of Booker McConnell. Treading carefully amid electricians' cables, then manoeuvring his broad, 6ft 4in frame past piles of boxes, he surveyed the conglomerate's temporary headquarters in Bishopsgate with cool amusement. Moving day was at the start of this week.

By the time Booker McConnell returns in the autumn to its old (but renovated) home in Bucklersbury House, Cannon Street, the 51year-old Caine will have taken over the reins from Sir George Bishop.

Like Booker McConnell itself, with its £500m turnover derived from widely-diverse interests at home and abroad. Caine has contrasting strains in his out-On social issues and Rail. Third World affairs he sees himself as a radical-but no Leftist. Once chairman of the it into a platform for polemics. He has a strong streak of intellectual liberalism. "I spent 40 years of my life in Hampstead Garden Suburb," he explains dryly.

But this high-mindedness goes with hard-headedness in business. His rise to the top of Booker McConnell is directly linked to its surging growth in wholesale and retail food sales in Britain. He has steered that division's turnover from almost nothing in 1960 to around £400m last year. "I am a firm believer in the market economy," he says with ample evidence.

The son of Sir Sydney Caine, a former director of the LSE, Caine joined the group in the early fifties, after Oxford and a spell at an American university. He was part of the socialist Lord "Jock" Campbell's "kindergarten," introduced after a massive boardroom purge: another member was Pcter of the WHO Smallpox Eradica-



direction you can go is . . .

Parker, now head of British In recent years, Caine has been chief executive and vicechairman to Bishop, who he says has always been "unflappable and cheerful in face of difficulwere in the early seventies. when asset-strippers-notably Jessel and Slater—were spiffing around Bookers. "Our earlier

says Caine. One major unloading he masterminded personally was in 1976: the sale to marrist Guyana of the sugar interests from which the group was born. "We can now look forward confidently," said Caine yesterday

problems have been unloaded,"

#### Rare catch

While London worries itself into a lather about the country's one remaining smallpox laboratary in Paddington, the World Health Authority has ironically chosen this moment to publicise a \$1,000 reward for anyone reporting a confirmed case of

the disease.
"The search is on throughout the world," says James Magee, and data processing network.

tion Unit. But during 1978, investigation of over 18,000 cases of skin rash in the Horn of Africa yielded only commonor-garden chickenpox and measles. Rumours from the rest of the globe also produced not a single case. Perhaps fearful of doing itself out of a job. the unit hopes its tastefully-executed gold, blue and red poster should bear some fruit.

#### Spectre of Disney In the absence of a De Gauile

to keep alive Gallic anti-Americanism, it has been left to one of France's Communist members of Parliament to initiate protests against the choice of the cartoon character Goofy as the national mascot for the 1980 Olympics. Deputy Georges Hage describes it as an insult": in words which might have issued from Colombey itself, he demands to know what measures are to be taken "to ensure that France's image survives the Olympic untarnished." French Olympic committee is circulating pictures of the trans-Atlantic canine with increasing self-consciousness.

#### Lhasa beam

While the thaw continues in China, the Americans have pulled off a supreme coup in negotiating the building of a 200-bedroom botel in the Chinese intend to open Lhasa to foreign visitors for the first time. This should provide plenty of bookings from the culturally curious for the edifice to be built by the New York-based Amherst Group. Marcia Lieber, daughter of

Amherst's chairman and sole shareholder, Abe J. Lieber, tells me the Lhasa hotel, and five others in China, are part of a bigger package which includes technical help in designing, building, and arranging finance for a national communications Intercontinental Hotels has

also announced an agreement to build six hotels in China, all of which suggests that tourists will soon be as blasé about Peking as about Paris.

Even in troubled Cambodia the still-almightyish dollar has been flexing its remaining muscles. For the first time since money was abolished by the Khmer Rouge four years ago, it has returned to cope with day tourists visiting the ancient temple of Angkor Wat, closed during eight years of war and revolution.

Travellers are, however. somewhat startled to find that silk and cotton scarves cost and upwards, and straw baskets \$10 to \$15. "H quality," explain the guides.

#### Brick unfurled

Despite the froideur produced by certain recent events, the Bulgarians and HMG have, I am pleased to report, settled down to some useful negotiations on trade. One can only sympathise with the Bulgarian delein the loaded atmosphere: "I think these talks should end in a general umbrella agreement."

#### Ethics above all

They mean to see the job done properly . . . Sir Henry Fisher, newly-announced choice as chairman of the working (hitherto) Forbidden City— party to enquire into self-Lhasa, capital of Tibet. The regulation at Lloyd's is the son of the former Archbishop of Canterbury, Lord Fisher of Lambeth.

#### Tart retort

After studying the menu at an Oxford restaurant where she was taking tea, a reader called the waitress and asked the difference between gateaux and cakes. "It's plain enough on the list," came the acerbic reply. Five pence.

*Observer* 

# Northampton

Northampton is on the M1, halfway between London and Birmingham and is directly served from junctions 15 and 16. Fifty per cent of the UK industrial output is within 100 miles radius. It has the following outstanding selection of offices, factories and sites.

#### commercial

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# The blight on the Italian South: By PAUL BETTS TO Ming to grips with the mafia

AN FFALIAN court for the first so-called new made with the word accommodalissimo spread over the past three where it has fed on the distance of the "honourable youth" had months in the randown court, content of southern emigrants decided to leave the "world of house of Reggio Calabria, oppo and in the chaotic university contrasts," and at this stare the site the old rastle of Ferdinand, and schools systems. of Aragon, 28 of the 60 defendants were sentenced vesterilay generally regarded as leading to prison ferms totalling about figures of the Catabrian mails.

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The presiding heige read out the verdict at A am yesterday morning in the crowded court-room of Research with its red drapes us gracifix and decollection of battered chairs. The accused, appearing on charges of criminal association or in the more figurative Italian of associazione per delinquere Spring of the f y. The rapid her y. The rapid her if y appears to each perty because in yacut large house of the perty of the listened to the sentences stand-ing in two iron cases on either side of the court guarded by an impressive contingent of carabinieri.

phenomenon of the mafia in Italy. According to the magistrates of Reggio, a depressed town at the tip of Italy's the, the trial was in many respects unique. Previous trials related to the Calabrian mafia had always involved specific and main Reggio railway line. individual acts of extortion The rijegues he claimed, murder or corruption only through a complex roundabout whereas in the trial now concluded the charge implied that between the various defendants, membership of the mass by With a mixture of rhetoric itself is publishable. The trial blending Pirandello, the comdemonstrated for the first time. every aspect of the region's economie life.

time has successfully seen beginning of the first subsidies through a major trial against the and public works programmes the recruit as a giorone d'onore Calabrian mafia, or more pre in the late 1960s. They helped or "honourable youth." It cisely the 'ndrangheta or "Mag's if to spread to the litcher indus-urged him to visit the sick but Thing." After some 42 hearings trial pastures of the North,

> All the 28 condemned are The remaining 32, apparently esser representatives of the ndraughets, were acquited because of inadequate evidence. Some were not set free because they face other charges.

The trial was characterised

by the usual barrier of reticence and occasional acts of intimidation in the best mafia tradition. Before the trial officially opened, one of the magistrates was the target of an unsuccessful bomb attack. The public prosecutor had asked for prison sentences totalling some 487 years on 53 of the defendants. He stitched his case The sentences represent a ants. He stitched his case turning point in the previously around a whole series of unsuccessful attempts of the cheques and money drafts paid judicial anthornies to tackle the for activities connected with different projects, including, among others, the proposed but now shelved plan to build Italy's fifth integrated steel plant in the plain of Gloia Trure, some 20 miles north of Reggio, and the doubling of the main Reggio railway line.

showed the intricate links media dell'arte, Greek classic tangibly the extent of the tragedy and Groucho Marx, he must work out in advance he appropries "Honoured Society's network illustrated to the court docu- cust of the protection money Squad. in Calabria and its presence in ments allegedly showing the you will have to pay, usually in existence of an organised criminal association. He read Not that anyone has ever out a letter of recruitment by doubted for one moment its a supposed mafia boss to a

most welcome." It referred to . it also spoke of arms. It said meant the world opposed to the

ndranglicta. This particular part of the prosecution's winding up summurised in so many words the condition of this poorest part of Italy's South, which is at the root of the country's current crisis. Calabria, in a sense, is different civilisation with its enigmas, half-mythologised Christianity, its internal hatreds, its poverty, illiteracy, and cruelty. In these conditions, the mafia has thrived both alongside and within the politi-

cal, economic and local govern-

ment structures of the region. It first emerged in the open 25 a conditioning factor in the region's economic development execution took place in the village square in broad daylight on market day. Three men were killed in a showdown between two rival families over an issue involving building tenders Subsequently, the hand of the mafia in some form or other has repeatedly appeared in all

major contracts in the area.

Reggio Calabria sector in



Communist - dominated up at Gioia Tauro by mafiosi. who wanted the jobs for their protegees. The unions took the case to court and successfully

prosecuted it.
In the main street of Reggio, Corso Garibaldi, a barricade of One northern businessman rusty bed frames and springs involved in the construction guarded what was left of a shop gutted by a sudden inexplicable With a mixture of rhetoric referred to the phenomenon of fire. Opposite, youths lolled in lending Pirandello, the com- the mafia quite blandly. "If you their characteristic posture outfire. Opposite, youths lolled in want to do business here you side a cinema showing a film must work out in advance he appropriately called Anti-Mafia

The Aspromonte, the sinister the form of non-existent sub- mountains of olives and shrub contracts. If you refuse, your rising sharply behind Reggio equipment will blow up, your and overlooking the straits of employees will be terrorised, or Messina across to Mount Etna. consider the many acquired member, seight of its Sicilian counter in the course of a police raid napped." Similar problems face the Calabrian mafia. The tortion. It has become agricularly its evolution in the mountains of the Asprotion and transformation into the monte. It started with the Napoli, secretary of the local dark forests of olives to the entrepreneur in its own right.

CGIL town of Delianuova, with its old union, said two signed-up mem- men playing endless card games bers were recently badly beaten and its decrepit houses clinging to the hillside. Delianuova has the highest rate of kidnapping in Italy. They rarely feature in the news because they usually involve relatively ransom sums of around lire 30m-50m

> One of the wealthier farmers was recently kidnapped. He had forgotten to pay the traditional percentage of the EEC olive oil subsidy which he receives and which effectively makes up his profit. His wife could not pay the ransom because she had no written powers to draw money from the bank. The kidnappers through their channels let her have the necessary documents, signed by the victim. But the under financial and environ-

the revolt of Reggio eight years ago when the regional capital was moved from Reggio to Catanzaro. To abate popular unrest. a second state university for the mezzogiorno, the Italian South. was earmarked for Cosenza and the integrated steel complex was planned for Giola Tauro.

Gioia Tauro was part of the so called Colombo Package minister, Sig. Emilio Colombo, now president of the European Parliament, to create some 20,000 new jobs in the Reggio area. Although the steel complex was to employ only 7,500 people, it none the less represented the starting point of an industrial policy to develop a new outlook in Calabria and to uproot gradually the mafia much in the same way as giant chemical plants were planned Sardinia to eliminate banditry.

Giola Tauro is today an enormous wasteland, Some 1,000 hectares (about 2,100 acres) of olive and orange groves in the plain, in a region where 92 per cent of the total area is mountain land, have been destroyed. Despite the shelving of the steel project under pressure, among others, from the European Community because of the world steel crisis, work is continuing on the construction of a gigantic port under the most difficult conditions.

tended to distribute mainly the most marginal land of the tradi-

Carter of t Valery

Caribbean island of Guadeloupe:

no set agenda, but subjects expected to be discussed are

East-West relations: Strategic

Arms Limitation Talks: develop-

ments in the Middle East, includ-

GENERAL

President

Chancellor

position in Africa.

Giola Tauro is perhaps the climate geology and history of extent this is happening. Last most outstanding example not the region-continued to con- year, at the town of Giolosa only of the mafia's presence, but spire against it. With the reof the general predicament of cession and the restrictive family or cell to court after the South. It was the fruit of a economic policies of the past political compromise following two years, the situation has deteriorated.

The two biggest industrial projects, Gioia Tauro and the Liquichimica chemical plant to produce bioproteins for animal feed, have never taken off. At Saline, the Liquichimica complex has been completed but has so far not received approval for the commercial production renewed social tensions in the of bioproteins from the health area and growing exasperation, devised by the then prime authorities, while the top man- the continuation of some work agement of the company is currently under judicial investi-

#### Backwater

state subsidised funds.

to underestimate the serious effort, capital and dedication that have gone into Calabria during past years, much of this effort, as one local Communist party official remarked, has already been washed down the Straits of Messina. The motorway that now links Reggio with the North, and which periodically appears in the press as one of those customary Italian national public works scandal. has done much to break the isolation of the region. But it still remains a backwater as the gap between the North and the South of the country widens.

Although it would be unfair

While the judicial authorities with the trial in Reggio have begun to tackle successfully There is an inborn fatalism the mafia phenomenon, the in most Calabrians. The failure magistrates admit that they are first of the land reform, which still only dealing with the socalled generals and soldiers, and not the real bosses. According tional southern landowners and to Sig. Guido Papalia, a Reggio

Jonica, the mayor took a maha they had tried to impose by force upon the community a day of official mourning following the death of their boss.

In part work at Gioia Tauro has been allowed to continue to give some employment in an area with more than 100,000 people in search of work. Of these more than 70 per cent are young people. At a time of

at Gioia Tauro, according to local trade union leaders. reflects the general policy of a gation for alleged misuse of 'social compromise' to give sustenance by subisidy to a vast portion of the population. In large part, too, the work continues for a series of political motives and financial interests.

Calabria is how likely to be

e of the main battlegrounds of the country's next and apparently nearing electoral confrontation. In the industrial North, the Communist party is unlikely to increase its already considerable electoral support. In the South, and Calabria in particular, if has always been weak and local representatives of the party say it is currently losing ground. This in large measure so because the coalition Government in Rome, which the Communists supplet without serving in it, has failed to fulfil repeated promises for the recovery of the region. In turn, this has led to a hardening of the Communists against

At local level, it led to the withdrawal of the Communists from the regional government coalition of Reggio following the magistrate, the real effort to march of some 20,000 Calabrian workers to Rome at the end of October. At national level, too, the coalition formula now risks falling apart.

other parties, but especially the

Christian Democrats.

### Letters to the Editor

### Afloat on chemicals

From Mr. R. Legge Sir,-Is the contribution of economy really appreciated 2 One shudders to think of our situation without their outstanding production and expert per-

formances in recent years. Figures for the total economy, including oil and themicals, are had enough. Here are a few key indicators showing absolute changes between the years 1973

tion Total manufacturing pro-

duction ...... Retail prices .....+110 Unemployment + 125 When North Sea: oil and gas and chemical industry produc-

tion are excluded the picture looks far worse for example the rest of industrial production fell by 5.6 per cent in that five year In view of recent criticisms. it is relevant to note the leading role played by "multi-

role played by "multi-nationals" in the oil and chemical success stories. These, companies are alleged to be selfish giants which ignore the true interests of the countries in which they operate. If only our political masters could achieve as much in our interests in their ever-widening tinkering in industrial affairs. R. F. Legge, 87. Penshursi Gardens,

Edgwere, Middlesex.

#### Why not pay more?

From the Conservative Prospective Parliamentary Candidate,

North Nottingham Sir,-If the salary bill of companies is less now in real terms because of continued wage restraint, and, if the engineer is essential is in short supply and is in need of a higher status in British industry, why don't companies merely pay the engineer a lot more? And while they are about it, why not pay others in industry-if it is that import-

I too, have heard of trade-union hostility, of wage restraint and of diminishing profit other employees—good, in the margins, but I haven't heard of long term, for the person enmargins, but I haven't heard of a single reason why those in industry can't be paid more. North Nottingham Conservative

Association, The Dorchester. 19a Hamilton Road, Nottingham.

#### A way to cut unemployment

From the Director Federation of Medium and

sive self interest, and we are without participating in the selves in trade as they once the first to agree that en Minister's fruit machine. It is were Today's problem is much lightened self interest is the the fear of being landed with simpler it is lack of resources, basic fuel which keeps enter the provision of the prize Whatever it may allege to the prize alive. We have, for in money, plus the costs of the contrary, the Government is provided with interest in the contrary, the contrary, the contrary and less on stance, a marked self interest in litigation, helping the state avoid the tre- hundreds of thousands of small real education. mendous expense which will be firms from taking the risk of . For example, the cost of a inevitable if we have to support offering the jobs which might computer suitable for sixth form for the next several decades, a break the log jam of unemploy—work, surely a primal require form better than the promises generation made unemployable ment presently building up. Let ment for getting students you make for them in your adby unemployment. Surely the Parliament act to restore to two interested in this sector of insigns of chronic unemployment, years the period by which an dustry, is less than £1,000; yet probably one of the worst in

Il to see? pared with permanent undeed many schools are not able cerned—could they be A state faced with this will, employment—and see at once to provide a proper complement by the same principle. all to see? or certainly should, apply itself the number of vacancies which analytically to the problem, will occur, once the small man to eradicate the causes and to oil and chemicals to the UK make non-cosmetic arrange period in which to judge bitterness here, since I have economy really appreciated 2 ments which will have a bona whether his new man (or been told that the finances of fide impact on the problem. Why woman) is or is not, going to are people unemployed? Simply make the grade.

because no business will take them on to the staff. So the whole problem, but it will be a next year. As a result, the Col-pragmatic action which is called major contribution and allow lege will probably not be in a for is to persuade those em. We see of us who think about position to accept any students players to take people on We these things to be optimistic next year to read computer should be seeking to identify and eradicate the reasons which make it attractive to a Jusiness J. H. Stevenson,

and 1978.

ag not to engage more people.

Enterprise House.

GDP + 3.5 What about compulsion? Pack and Prime Lanc,

Consumers' expenditure. + 0.3 Even the compulsion inherent

Total industrial production paying subsidies towards additional wages bills cannot, by its nature sucreed. The jobs

which are thus created are not

bona fide. To be genuine, a job

must be an essential pre-

women, boys and girls.

reguisite of a successful com-

mercial operation. The enormous numbers of small- and medium-sized firms in Britain brimming with admiration of happening to the unfortunate provide a potential into which the state should be able to siphon millions of presently or potentially unemployed men and women, boys and girls.

for its eye-catching, full-page
So why is it not working and and doubtless widely distributed why will even a subsidy not advertisements entitled "What

Keynesian tradition? (January 2). reason is that so many employers are motivated by a new fear with which they have not the propriety of a learned to live—the fear of getting involved and out of their depth in legislation with face and name to a purely priwhich they cannot cope and vate enterprise. I am not an old which the subsidy would not man, but neither am I in the begin to finance. Why cannot first flush of youth: I certainly the State, which has interferred cannot remember any precedent so much in business since 1971. for such a departure. Times interfere again to remove some and customs change, however, of the obstacles which it has and perhaps we must read this

pect to risk and possibly lose between British Government our capital by making com- and British industry. make us a fortune or make us pride to secure the face and bankrupt. What we cannot do is make snap value judgments of our fellow human beings. upon which we are prepared to wager our future. No small Mr. Callaghan himself, employer will willingly take the sising the moderation risk of employing a single extra hand unless he can see his way clear to restoring the status quo M. J. Stacey. Triple-E (U.K., ante, should the new hand not be a good investment—good far 547, Chiswick High Road, W4. the firm, good for the firm's

gaged. What benefit is it to a man to be stuck in a job he dislikes, in which he is not competent and is known not to be From Professor Glyn Emery competent by his employers and his fellow employees? Yet that is the situation posed

Parliament, to a gigantic fruit impediment to growth. He is machine, which may, for the wrong, however, to suggest that lucky punter; produce several the cause is a lack of motivation thousand pounds in compensa- among young people. tion. To qualify for a ticket in ... Partly because of a reduction this gamble, all the worker has in the number of graduate jobs. to do is remain in a job for 26 and partly because of a real weeks, after which, irrespective change of heart, young people Sir,—Smaller businesses are of his personal qualities, he are not now quite so consometimes condemned for excess cannot be removed, in practice, temptuous of engaging them-

knows he has a reasonable

Such a step will not solve the additional lecturer I shall need those of us who think about position to accept any students that the cancer of unemploy- science. ability is at least being tackled. Enterprise House,

### Winsome

From Mr. M. Staceu

Sir,-I am the last of men to cry "sour grapes," and I am the bold and inpovative stroke of Colt International in securing the face and name of the Rt. Hon. Anthony Wedgwood Benn prime the pump in traditional Your Own Boardroom Needs is a Few More Like Him"

Nevertheless. I am sure I am not alone in wondering about Government Minister lending his as no more than a further sign

name of some notable public figure in support of my own company's claims. One imagines storting at the very top, with Mr. Callaghan himself, emphageneral good comorsense of our market place blandishments!

#### Spending on education

Sir,-In his forecast for the electronic industry for 1979 (December 30) Sir Robert Telby the absurd "unfair dis ford refers quite rightly to a dismissal" legislation which has serious shortage of skilled been likened, by a Minister in people, which is now the main

which inhibits spending yearly less and less on

poverty and crime—those con- employee must be with a firm— not one school in a hundred can terms of respect and credibility

stant bedfellows-are plain for surely not an onerous term com-afford this sort of money. In- as far as politicians are conof textbooks. Nor is the situation in higher education any are going to be at the receiving better. I write with some end of a barrage of political

> John Lidstone. the College will probably not Ulster House, extend to providing me with the

It is perhaps typical of the country's present malaise that Government is evidently able to lavish over £200m of tax- From Mr. P. J. Yates pavers' money on support for microelectronics without ersor- stationery, be there to make proper use of it. This type of politics, which enters into grandiose schemes with happy disregard of fundamental needs, is best exemplified in the Shah of Iran: and we all know what is gentleman.

Glyn Emery Department of Computer The University College of Wales. Penglais,

### Building societies

From the Chief Surveyor, Anglia Hastings and Thanet Building

Society.
Sir,-L was interested to read your further commentary on our housing market report for 1978 (January 2, page 14). May I, however, draw your attention to the headline and first paragraph which wrongly imply that Anglia Hastings and Thanet Building Society naturally does most of its business in the southeast of England.

When the amalgamation took place six months ago Anglia. headquarters Northampton, was the 11th largest building society in the country; Hastings and Thanet, based in Bexhill, was the 13th largest. Both had effective national networks of branches and this is all the more so for the new society, the seventh largest building society

in Britain. I am sure you will appreciate that a society of such sizewith assets of over £1.4bn has more than a "local" flavour. Further, your correspondent refers to 33,000 "transactions." but this should read "properties." "Transactions" would of course run into millions. These properties mortgaged to the society were spread throughout the country, and our annual property report has broken these down into areas for more

detailed comment. C. P. E. Moreton. Anglia Hastings and Thanet Building Society, Moulton Park,

### Promisespromises

Northampton.

Marketing Improvements. Sir,-It has long been my wish that those responsible for the national advertising campaigns major companies would adopt the principle I have tried to instil in marketing training.

From the Executive Director.

cerned-could they be inspired

Sometime during this year promises. Judging by the past, few are likely to be kept.

Regents Park, London.

#### A record price rise?

Sir.—Among office some documents addressed to H M Land Registry, printed in 1973 and detailing a fee of 20p for office copies covering register entries only. A recent telephone call to our local Registry revealed that the price now for such documents is £2,25, which I calculate to be a 1125 per cent increase in just five years I recall a letter in the

Financial Times in 1976 concerning an increase in postage costs of 600 per cent in five years, but I would think that the Land Registry now holds new record for price escalation over a five year period.

Peter J. Yates. 103, North Downs Road, Addington. Croydon, Surrey.

#### Increases in the rates

From Councillor

Sir, — You say (January 2) Stockbrokers Wood Mackenzie challenging the Treasury's estimate of the likely public sector borrowing requirement from April. Also Paul Taylor on December 29 reports "some local government treasurers have talked about rate increases of 30 per cent or more."

Absence of nationwide journalistic comment on county and district rate processes in the past three weeks has muted the alarm normally expressed by discerning councillors throughout the land at this time of the year. The shift in the rates support grant, while benefiting some counties and districts, will not lead to any reduction in the total demand on central government. Without a shadow of doubt, county demands will be increased to cover the loss of the needs element; without any compensating savings, and the total PSBR in respect of local government services will be increased or transferred to local government debt.

The Laing and Cruickshank forecast (also January 2) is the most likely, if my county council's estimates, pitched at the middle of the so-called "county treasurers' league table" are proportioned over the others in the list. Inflation by next autumn will be between 13 and 14 per cent, by applying all previous impost and price projec tions to present estimates of local official expenditure.

European monetary system cannot change the relentless impact of national dearness in taxes and prices, but only a reversal of those practices, a course which the official mind is not willing to comprehend because of deep vested interests. John Gouldbourn. 6. Queen Mary Avenue,

#### **Today's Events** Two-day summit meeting opens between Mr. James Callaghan, UK Prime Minister, President

three-week visit to Singapore, Malaysia and Thailand, supportthe U.S., ing the present tour of those Giscard countries by Mr. John Smith, France, and Trade Secretary. Helmut Schmidt, West Germany, on the French

Sir Kenneth Cork, Lord Mayor Committee Dinner, Guildhall. Mayors and City of London

ing Iran and Turkey; and the London Chamber of Commerce

of London, at luncheon with chairman of British Insurance Association, Aldermary House, Queen Street, EC4, 1 pm: in the evening the Lord Mayor attends Planning and Communications

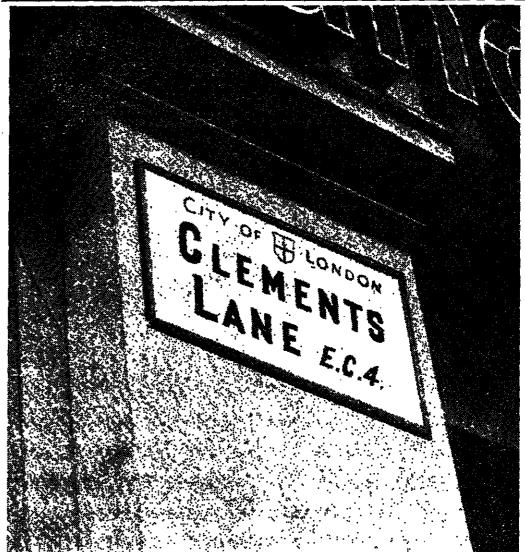
Court to consider lead in petrol

Company, Basinghall EC4, between 2 pm and 4.15 pm. COMPANY RESULTS Final dividends: Robert H. Lowe, J. F. Nash Securities. Interim dividends: Samuel Heath and Sons. Howden Group, Knott Mill. Schelsinger American Investment. Stavert Zigomala and Co. (Haldings). Stead and

children against BP, Shell, Associated Octel and Ford Motor

COMPANY MEETINGS Atlanta Baltimore and Chigaco

Regional Investment Trust, 20, Birchio Lane, EC, 12.30. W. J. Pyke, Winchester House, 100, top-level trade mission begins damage to health claim by three Old Broad Street, EC, 12.



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Head Office: 10 Clements Lane, London EC4N 7AB Assets exceed £8,400 million

### Fodens slumps midway and sees poor result

PROFITS OF Fodens slumped from £1,29m to £98,000 in the 28 weeks ended October 14, 1978- quantities the second haif results should be better, the directors say, but they cannot now expect a good

The first half result last year was followed by a buoyant second six months resulting in a the efforts of the past few years record £2.84m for 1977-78.

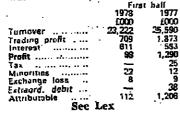
The directors say the group's wards, recovery in the pust two years has relied extensively on exports and specialised vehicles. During Jumover the first half this year, exports have been very low due to the absence of demand from the Middle East and this has also affected the sale of spare parts in these markets.
In addition, few deliveries of

specialised vehicles have been made because of a gap in con-tracts. The financing of stocks of export vehicles held for longer periods than usual is reflected in the level of interest charges.
Introduction of the new \$10

cab, made entirely in the group's own works has been costly and inconvenient. This cab is vital planned increase in home market share and is now in full

active. Deliveries of substantial specialised vehicles are now taking place but there is so far little improvement in exports of vehicles and spare

However, the Board is all set to go and expects results of all to show through in 1979 and on-



### F. Tomkins warns on margins

AS FORECAST pre-tax profits of F. H. Tomkins were ahead at the

The UK market is still very half-way stage, but the chairman warns of continuing pressure on

> 31, 1978, turnover went up from £7.44m to £8.75m and pre-tax profits from £656,000 to £717,200. Tax takes £375,100 (£349,400). Last year pre-lax profits were a record £1.77m.

> But the chairman points out that the results reflect the pressure on profit margins, to which he referred at the annual meeting. It is impossible to be optimistic about the prospects for bright drawn steel and bolt and nut manufacture for the

remainder of the year. He adds that every effort is being made to maintain market share in the face of increased competition from the UK and Europe, but inevitably this will involve the continual sacrifice of some profit margin.

The interim dividend is lifted from 0.35p net to 0.5p per 5p

share. The final last year was 0.61755p. The interim increase is to give effect to the is to give effect to the proposed addition to the final dividend which was frustrated by dividend restraint, and to reduce disparity,

### ICL sees continuing need for heavy investment

turnover and profit is expected at ICL this year, Mr. T. C.

and continued improvement in industrial relations, says Mr.

If the group is to take full advantage of the buoyant world market for computers, a continued heavy investment will be needed in many areas of the

This includes new production facilities, extensive staff training and additional marketing expenhigh level of research and development expenditure.

22 per cent higher than in 1977. cash requirements fluctuated. The profit before tax grew by appreciably during the year and 24 per cent to £37.5m, and this led to a substantial increase in growth, together with a low lax charge, resulted in a 46 per cent increase in attributable earnings to 79.42p per share.

applications software, facilities build-up of the rental base, a sigmanagement computing bureaux nificent investment in automated and education and training ser- test equipment and the provitribute a stil larger proportion marketing growth. the chairman says.

A decade of growth.

world computer market.

a record level.

Sales and output targets exceeded.

Major capital investment.

**PROFIT** 

In the ten years since its formation as Britain's largest

computer company, ICL has increased its size fivefold and

At £509m, turnover for 1978 was 22% up on the

previous year. Profit before tax went up 24% to £37.5m and

has, aided by a low tax charge, resulted in a 46% increase in attributable earnings to 79.42p per share.

Orders for most products substantially exceeded

Company's planned growth programme. Major investment

areas were the continuing build-up of ICL's rental base,

targets, the total being one third up on 1977. Half the new

orders came from overseas. Output for the year achieved

Capital expenditure of £68m reflected the

has become a major contender in the highly competitive

at ICL this year, Mr. T. C. Hudson, the chairman, says in his annual report.

This is provided there is a competitive level of inflation, reasonable stability of sterling and continued improvement in the stable of the stability of sterling and continued improvement in the stable of the stability of sterling and continued improvement in the stable of the stability of sterling the

The value of orders for medium and large 2900 Series systems doubled, with two new systems—the 2950 and the 2976 -making a significant contribu-

Another area of major strength was in communications, equipincluding special general purpose terminals, where husiness was also twice the value

taken in the previous year. Net worldwide cash balances of £23.2m at September 30 were more than double the level Turnover for the year to Sep-more than double the level tember 30, 1978, at £509.4m was reached a year earlier. However,

interest charges. Capital expenditure reached narcease in attributable earnings fosm, reflecting planned pro-o 79.42p per share. gramme for growth. Major areas Revenue from maintenance, of investment were the continued continued to increase sion of several new office pre-

also included commitment to the 31 at 11.30 am

Orders taken in 1978 were construction of two large new more than one-third up on the factory units in Manchester. But

seas teritories were profitable in 1978, and in particular, ICL in Canada made considerable progress towards profitability in the U.S., marketing operations are not yet profitable although the U.S. subsidiary showed an overall profit because of its manufacturing operations at

Utica, New York. and action was taken to rectify per share will further improve. the difficulties, Mr. Hudson

adds ness in continental Europe which was significantly strengthened by acquisitions from Singer.

encouraging and strengthening the European owned and con-

24.42 per cent of the group's rapidly. It is expected to con-mises round the world to meet shareholders (some 10,850) hold flecting the elimination

1978

£37.5m

manufacturing plant and factory and office premises.

ICL is seizing the opportunity to grow fast, by taking full

advantage of the buoyant world market for computers. This

will require a continued heavy investment in many areas,

additional marketing expenditure, as well as a continuing

Given competitive levels of inflation, a reasonably

industrial relations, ICL expects continued profitable growth

International Computers

Profitable growth is our business

including new production facilities, staff training and

high level of research and development expenditure.

stable pound sterling and continued improvement in

Further growth expected.

TURNOVER £509m +22%

You can easily see

why ICL is Europe's most successful

computer group

### Linfood ahead and seeing HIGHLIGHTS benefits from acquisition

Birmingham Pallet Hollis Bros. ........

F. H. Tomkins .....int. 0.5

Wheatsheaf Distribution and Trading since its acquisition on May 23, 1978, pre-tax profits of For the six months to October Linfood Holdings rose from £2,95m to £3.5m for the 28 weeks to November 11, 1978. Sales were substantially higher at £419.6m compared with a previous £174.4m.

> The directors state that current trading results are beginning to reflect the benefits of the merger with Wheatsheaf, The merger, they say, is pro ceeding satisfactorily and will enable the group to expand from a -position of strength in the market place.

As expected profits for the whole of the 1977-78 year were down from a record £5.81m to £5.16m, which included a £450,000 release of a provision relating to Merchandise Pro-

,		28	weeks
ì	•	1978	19
Ĺ		<b>CO00</b>	E01
I	Sales	419,602	174.4
•	Trading profit	4.571	3.2
•	Interest	1.071	2
		3,500	3.2 2.9
	Overseas tax	61	
	Minorities	29	
	Canv interest	547	
	Attributable	2.863	2.9
	Due to the	operat	ion e
	accelerated capi		
	and stock relief		
	poration tax is		
	payable on the	profit	for th

Akroyd chairman says jobbers are inhibited

**DIVIDENDS ANNOUNCED** 

payment payment 4.25 Mar. 5

Dividends shown pence per share net except where otherwise stated

\* Equivalent after allowing for scrip issue. † On capital

Mar. 5 Feb. 26

Feb. 19

Apr. 2

Current

increased by rights and/or acquisition issues.

be found between the overriding need to retain the exist-ing competitive jobbing system in the UK domestic market and the trading freedom required to compete on equal terms with the market makers in the foreign securities markets.

This is claimed by Mr. David H. LeRoy-Lewis, the chairman of Ayroyd and Smithers, in his annual statement.

securities is inhibited by the present Stock Exchange rules and regulations.

If jobbers trading expertise is was expected, Mr. LeRoy-Lewis to be allowed to play its part in says. Being in London has so the growing international mara reconciliation must soon options in UK securities being found between the over-developed by the European Options Exchange in Amsterdam, adds. In such an event he feels there

sponding for.

1.18

0.35

ing securities being established there, thus reducing the efficiency of the centralised market here for UK securities.

Despite recovering from a midterm deficit, Akrayd finished the

September 29 1978 year well behind from £15.51m to £107,000 He says that the development hind from £15.51m of trading by jobbers in foreign at the pre-tax level.

In an announcement with the that trading in the current year n The Traded Options market to date had resulted in a return was established by the SE last to a more reasonable level of April and is more active than profitability. The chairman,

### Howden Group on course for appreciable full year increase

REPORTING AN upsurge in pre-tax profits from £1.56m to £2.87m in the six months to October 31. man of Howden Group, says he expects full-year results to show an appreciable increase over last A loss occurred in Finland, year's £4.9m and that earnings

Although in recent years some that two-thirds of pre-tax profits have essential to group objectives is arisen in the second half, in the the further development of husibution between the two halves is

At the time of the rights issue "We shall continue to press in August a total dividend pay-the European Economic Com-ment of 4.7p (4.08730) was fore-mently for a positive policy of cast. The board intends to declare an interim of 2p in March. Acceptances for the issue were received for approximately 96

trolled computer industry." received for approximately the Plessey Company holds per cent of the shares offered. After tax of £1.42m (£0.82m) capital, the National Enterprise for the first half and minority Board, 24.42 per cent and other profits of £70,000 (£255,000), re-51.16 per cent, Meeting, Purcell minority interests in Howden Room, South Bank, S.E., January Canada from November 1, 1977, and Howden Group South Africa

from September 1, 1978, the company has plenty of scope to attributable balance emerges ahead from £0.49m to £1.38m. Sir Norman reports that some

notable power station orders have been won. Howden Canada in collaboration with BBC Brown Boveri of Switzerland is to supply the turbine generator units for Ontario Hydro's Darlington nuclear station and Atitokan coal-fired station. Howden Canada's share of these orders is approximately £60m. James Howden and Co. Australia Pty. has received an order for politition control equipment worth some £28m from the Electricity Commission of New South Wales for Eraring. In the UK, James Howden and Co. are to supply air preheaters for Drax power

The company operates as an engineer and a specialist in design and manufacture of air, gas and fluid handling equipment.

**e** comment Favourable timing of contract

completions and further recovery Group's 84 per cent pre-tax profits increase more fully into perspective. Nevertheless it is a good performance and also reflects better results from the less troubled parts of the company. Howden Holima Refrigeration, which in the year to April 1977 turned in a trading loss of £1.7m., has finally broken back into profit following the severe cutback of its activities. Howden Compressors, which was only breaking even in the comparable period, is now making a useful profit. While the Canadian subsidiary, where contract comple-tion delays, low margins and a weak Canadian currency had held hack growth, is now seeing a sin-pificant improvement. Looking ahead profits for the full year unanimous could reach £6 in but the most encouraging sign must be the Steps promising order position. Pro-ecods from the recent rights issue are still on denosit, and with Court for its confirmation to the liquidity continuing healthy the capital reduction.

expand. No major plans, however, are at present in the pipeline. The shares have had a good run of late and at 90p stand on a prospective fully taxed p/e of 5.7 and yield just under 8 per cent. Birmingham

### **Pallet** doubled

INCLUDING a temporary employment subsidy of £55,765. which ceased in May, 1978, pre-tax profits of Birmingham Pallet Group, engineering concern, vir-tually doubled to £278.310 for the year ended October 31, 1978, against a previous £142.058.

At the halfway stage the directors had reported an advance from £93,000 to £121,000 profits and expected secondhalf figures to be similar to those of the first. Earnings are well up at 12.78p

per 10n share compared with last year's 6.35p and the dividend is stenged up to 6.25p (5.6p) net with a final payment of 4.25p.

	19//-/6	18/0-//
	E	C '
urnover .	3,208,153	2,828,372
rolit before tax	278.310	142,053
3	143,000	72,188
let profit	130,310	69,870
nterim div.dend .	20,401	15,202
inal	43,352	41,822
etained	65,557	12,748
. brewid thruos	545,336	_
ondwill written off	83,166	_ '
arned forward	528,727	545,336
211124 10111210 111		-,0,200

#### BENLOX CAPITAL REDUCTION The special resolution pro-

viding for the reduction in capital of Benlox Holdings was unanimously passed at an EGM

being immediately by the company's solicitors to apply to the High

#### **NEW LIFE BUSINESS**

### Substantial rise at Legal and General

ride life and pensions new husiness last year is reported by Legal and General Assurance mark. The mixed fund of equities and fixed-interest totals £529m, the property fund £418m, the property fund £418m, the equity fund £33m and the fixed-interest fund £39m.

Were 40 per cent higher at £29.8m against £21.3m.

The arcuse

The group, the largest pensions company in the UK, benefitted from the start last April of the new state pension scheme. New annual premiums for com pany pensions and group life business, excluding small pension arrangements, jumped by 15 per cent to £64.4m from £55.9m while single premiums advanced marginally to £18.9m from

But Mr. Ron Peet, the chief executive of L and G, pointed out that this did not represent the complete growth picture for 1978. Additional premiums arising from new schemes and from alternations to existing schemes had risen sharply in 1978 to CS.Sm from 17m. There had also been substantial premium growth resulting from salary increases and business expansion. But the full benefit of this would not acrive until this current year, 1979, because of the delays in-volved in documenting the exceptionally large number of scheme alterations. Thus the real pension growth last year was very much understated.

New annual premiums received by Pensions Management the group's managed fund subsidiary showed a 57 per cent rise in annual premiums to £22.5m from

A substantial increase in world- £14.5m, but a reduction in single premiums to £8,2m from £9.7m. The assets of this fund, which was launched only eight years

> business in the UK, new annual premiums advanced by 31 per cent to £21.2m from £16.2m. Business connected with mortgage repayment was good and the company's drive for self-employed pensions contracts was successful with new annual premiums rising 80 per cent to £2.35m. Single premium business jumped to £9.9m from 12,5m-this growth coming from the group's unit linked life assurance subsidiary, which started business at the end of 1977. Last year it transacted £7.9m of single premium and £800.000 of annual premium business.

> Overall, worldwide individual new life business advanced to £30.4m from £26.6m in respect of annual premium business and single premiums totalled £10.5m against £2.8m.

These figures do not include the results of Legal and General's reinsurance subsidiary. Victory Insurance

The Victory Insurance Com-pany, a subsidiary of Legal and General, reports a 32 per cent increase in 1978 in new sums amounting to £882m £667m. New annual acainst premiums were slightly higher at £3.3m, compared with £3.3m, while improved significantly to £8.6m

Lex looks at the recent wave of mergers with more than £400m of them now pending. Fodens has hit a nasty pothole in the first half but is optimistic about next year. Linfoed's figures are better than expected and the shares rose 13p to 139p yesterday, but the results may be worse than they look. Finally Lex takes a look at Mercantile Credit's balance sheet which shows the effects of the big expansion of leasing business. Elsewhere, Howden has come up with an impressive first-half rise, though the usual heavy bias towards the closing six months may be absent this time round.

### Record profit for Mercantile Credit

BY MICHAEL LAFFERTY

Barclays Bank, to reach a record pre-tax profit of £32.9m in the to £15,000 is up from three to 20 year to September 30, 1978. This is more than 80 per cent

better than last time, but almost two-thirds of the improvement arose in the six months when interest rates were particularly favourable.

would be a real danger of frag-The profits boost was also assisted by "considerable growth" in Mercantile's indusmented markets in the underlytrial and consumer divisions. However, though substantial However, though substantial benefit came from the consumer

England's request to give priority for lending to industry. One area where Mercantile has ing in particular. Equipment on lease increased 40 per cent in the year to £512.4m, at cost values. A third of this increase could be accounted for by car

Mercantile Credit has provided full deferred tax in the accounts. This arises almost totally from accelerated capital allowances on leased equipment. Mercantile says it is still in discussions with Barclays as to whether it should go on making full tax prevision. In general however, the finance houses are believed to feel that full deferred tax accounting is essential to their business. But some of the clearing banks may take an opposite

Mercantile is not expecting the current year to come anywhere near last year's growth levels. Interest rates in the first four months of the year to date, based on Finance Houses Association hase rates, have averaged 10.9 per cent. This compares with 6.1 per cent in the same period last

Yesterday's annual reportshows that the number of Mer-cantile Credit employees receiv-

LOW interest rates in the first ing salaries between £15,000 and half helped Mercantile Credit, £17.500 increased from 1 40 16; the finance bouse owned by in the year; the number receiving salaries in the band £12.500. See Lex

### Half-year jump at

PRE-TAX PROFITS at Cantors, spending boom, Mercantile's retailer of general house furnish chairman, Mr. A. Victor Arey, ings. carpets and bedding, for says the company was not able to exploit this to the maximum jumped from £131,000 to £341,000 pecause of Government After tax of £22,000 (£21,000) restraints, including the Bank of and exceptional gains on England's request to give priority for lending to industry. (£48,000) earnings per 20p share One area where Mercantile has are shown to have risen from are shown to have risen from achieved particular growth is in 1.58p to 4.65p. The net interim industrial leasing, and car less dividend is effectively raised from 0.75p to 0.825p. Last year's total payment was equivalent to 2.055663p from pre-tax profits of £520,000.

Turnover was up from £8.49m to £8.74m, in line with the improvement in trading begun last year.

Pre-tax profits were struck after depreciation of £158,000 (£157,000) interest of £121,000 (£103,000) and provision for deferred profit and collection costs of £160,000 (£244,000)

> Brasilvest S.A. Net asset value as of 29th December, 1978 per Cr\$ Share: Cr\$30.518 per Depositary Share: U.S.\$13,474.76

> > er Depositary Share

(Second Series): U.S.\$12,653.63 per Depositary Share (Third Series): U.S.\$10,768.39



We express our confidence in the future through --

- Investment of some £400,000 on land and buildings, including new factory. premises, to allow for expansion and new developments
- Approval for expenditure on plant during 1978-79 of about £1,000,000 to improve competitiveness and profitability
- Capital support for the exploitation of electronics and micro processors
- Continuing development of products to meet World as well as UK markets

RESULTS - YEAR ENDED SEPTEMBER

	1978	19//
· .	£000s	£000s
Sales	33,233	31.540
Net assets	10.046	9.552
Profit before tax	1.514	2.454
	Pence	Pence
Eamings per share	5.29	11.73
Dividends per share (gross)	" 3.99 T	3.63
Net assets per share	53,13	50.52
Conics of annual report and acr	nunts are availabl	a imm

Concentre Lucited, Coleshuli Road, Sutton Columbia, West Midlands B75 7AZ.

Vehicle Main Dealers, Vehicle Leasing Specialists and Commercial Vehicle Body Builders

	Year to 31st August
	1978 1977 %
	£000s f000s Increase
Turnover	25,780 21,240 21.4
Profit before tax	773 550 40.4
Dividend per share	1.98p 1.55p 27.7
Earnings per share:	8.72p 6.74p 29.4

\* Results set a new record for the Company.

\* Increase in share capital proposed.

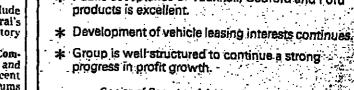
\* Public acceptance of Vauxhall, Bedford and Ford products is excellent.

\* Group is well structured to continue a strong

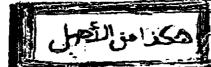
Copies of Report and Accounts are available

VAUXHALL - BEDFORD . OPEL FORD

A copy of the full Annual Statement by the Chairman, Mr. T. C. Hudson, C.B.E., may be obtained with the Report and Accounts for the year to 30th September 1978 from the Secretary, ICL Limited, ICL House, (Room 1103), Putney SW15 1SW. Telephone: 01-788 7272 Ext. 2017.



from the Secretary, Jessups (Holdings) Limited, 125-131 High Street, Stratford, E15 203.



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the UK is a complex one. The

### Redman Heenan looks for useful advance

IN HIS annual statement Mr. Angus Murray, chairman of Bedman Reenan International Redman Heenan International, says that the outening of the current year should show a useful advance on results achieved list year, when presint public totalled £2.8m compared with £2.8m.

The group Joiends to pursue the search for suitable acquisitions to understand the providence in the start of the says. Mr. Murray 2008.

Commenting on prospects be says RHI intends to maintain its capital logistiment programme to continue with the direct persunce of new products and to break into fresh markets.

fresh markets....

ased from 1 in the number to up from three in the band for up from three in See Lex During the Year under review, capital expenditure amounted to capital expenditure amounted to fil 12m while a further fo.63m was committed for completion early in the new year. This programme principally involved the installation of southisticated machine tools and other plant modernisation measures plus exensions to existing capacity. Since the end of the year, f720,000 has been spent on the acquisition of land at Blackpole, Worcesfer, as part of a longer. Worcester, as part of a longer term plan almed at facilitating the future expansion of group companies already based in that

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ROFITS of Canendral including the Control of the Co locality.
Excluding this item, further investment in excess of £1,5m is

planted for the current year. During 1978, the group pushed up its exports by 7 per cent to over £11.5m. Overseas sales now represent 33.6 per cent of total turnover. Notable increases were scored in exports to the EEC, the rest of Europe and the Middle

which four orders have already been received. Meeting, Connaught Rooms, W. on January 31, at noon.

contract was won for the new Ford engine plant at Bridgend.

During the year a new low speed hydraulic dynamometer for test-

ing marine engines up to 100,000 H.O. was launched for

Redman Fisher, among others,

also achieved another highly

satisfactory year with turnover climbing to £9.2m (£8m), largely as a result of higher sales abroad.

### Hollis Bros. look for profits rise

IMPROVED profits for the year are forecast by Hollis Bros. and E.S.A. which reports a pre-tax surplus of £1m, against £1.03m at Reporting on the activities of the operating companies within the group, the chairman points

the halfway stage. out that last year was the first full year in which P.V.H. The Board says the second half appears stable and anticipates an Engineering's results were reimproved profit for the full year. flected in RHI's figures. Both turnover and profit of P.V.H. were better than planned with

Last year the group turned in pre-tax profits of £1,56m.

The maximum permitted dividend for the year is also anticipated after an interim of 1,298p. significant oversess orders re-ceived during the 12 months from the Middle East and the Soviet (1.18) net per 25p share. Last year's final was 3,3086.

The pre-tax figure was struck after interest of £541,000 (£510,000). Tax is £483,000,

#### Froude Engineering made further headway, mainly as a result of determined marketing efforts in the Middle and Far East. At the same time steps were taken to achieve a greater penetration of the North American market. Peachey may redevelop Park West block In addition a £3m test facilities

Peachey Property Corporation is considering whether any re-development programme for its 540-flat Park West apartment block is feasible. Lord Mais, the chairman, told shareholders at yesterday's annual meeting.

If such a scheme did not look appropriate then Park West would be sold, and the proceeds reinvested. Meanwhile the group was considering a number of approaches from interested parties who would purchase the whole of the Park West block. As to the likely outcome Lord

Mais said that it would be "a close run thing at this stage" as to whether the group decided to sell Park West or redevelop. But he said the group was negotiating a possible sale aris-

ing from "two responsible bids." So far the group had seen two bids to buy the block fail and last November took the property off the market.

It recently bought the freehold on Park West from the Church

Group of certain motor dealer subsidiaries of the Hodge Group is not to be referred to the Monopolies and Mergers Com-

### Car industry unrest hits Avon

WITH MORE than half of its the group's development plans, business related to tyre and Lord Farnham says.

business related to tyres and Lord Farnham says.

other vehicle components. Avon A number of new projects of the year domestic automatically components have were completed and more committee industry unrest frequently disrupted production and control of the project of the periods of inefficient isposais of the trial problems in the UK car in enlarging production space and dustry in the early months of its modernising plant and equip-current year, says Lord Farnham, ment. These developments will the chairman, in his ennual state-

However; with the policy of reducing dependence on the UK car industry being maintained and good progress made in obthe domestic market now accounts for less than 40 per cent

year to 31st March, 1979.

Profit before taxation ::

Ordinary Interim dividend

Profit after taxation

Earnings per share

Turnover

assist materially in increasing future profitability, the chairman

He adds that the recently ac-He adds that the recently acquired Avon Lippiatt Hobbs will contribute significantly to profits in the current year, in line with the directors policy of strengthen ing Avon's position outside the automotive field.

As already reported, pre-tax A deterioration affecting the profits fell from a record £5.42m trading performance in some to £4.4m for the year to Septem major markets became evident ber 30 1978, on turnover of in the second quarter of the £119.87m (£108.02m). In spite of its many difficulties, ports. Severe competition, from last year saw further growth in overproduction and cheap im-

WHEWAY WATSON

Sales and profits show

substantial increase at half-year

The pre-tax profit of Wheway Watson Holdings Limited for

the six months to 30th September 1978 shows a substantial

increase compared with the same period of the previous

year. The profit for the second six months should show some

further advance although the rate of increase may not match

the percentage increase of the first six months. Everall, how-

ever, the Board is confident of a satisfactory officome for the

MANUFACTURERS OF

CHAIN AND MECHANICAL HANDLING EQUIPMENT

caused periods of inefficient working at Bradford-on-Avon and at Melksham. Business with automotive manufacturers outside the UK has continued to grow, however, and the consistency of their requirements together with the growth of other parts of the group's business has reduced the

shortfall in results. Despite the extremely difficult conditions in the tyre industry, the policy of Avon Tyres of developing new markets and pursuing its specialisation programme has enabled it to remain profit-

Meeting, Melksham, January

### **Notice of Meeting**

Members of The National Bank of Australasia Limited will be held at the registered office of the Company, 31 Queen Street, Melbourne, Thursday January 25, 1979, at 11,30 a.m.

1. To receive and consider the balance sheet and statement of profit and loss and the reports of the Directors and of the Auditor for the year ended September 30, 1978.

2. To elect Directors. Mr T B C Bell and Mr Andrew Grimwade retire in accordance with the Company's Articles of Association and, being eligible, offer themselves for re-election

Also, Mr C G K Smith, who was appointed by the Directors in terms of Article 76, as an additional Director, is eligible for election and offers himself accordingly.

3. To appoint an Auditor. Mr D O Walpole, a partner in the firm of Touche Ross & Co., chartered accountants, was appointed by the Directors since the last Annual General Meeting to fill a casual vacancy and, having been nominated by a Member of the Company in accordance with Section 166A of the Victorian Companies Act, has consented in writing to act as Auditor and offers himself accordingly.

4. To transact any other business of which due notice has

By order of the Board L L Rex, Secretary November 30, 1978



The National Bank of Australasia Limited

(Incorporated in the Commonwealth of Australia)

W. Gibson Biggart, Chairman.

26 weeks

ended

30.9.78

7.084.904

420,859

315,644

0.45p

(.57p

26 weeks

ended

1.10.77

5,708,940

283,816

212,816

0.35p

1.13p

\$7,050,000

This announcement appears as a matter of record only.

WTC Hotel Associates

**Limited Partnership Interests** 



Hotel at the World Trade Center

We have arranged the private placement of these equity securities.

Warburg Paribas Becker

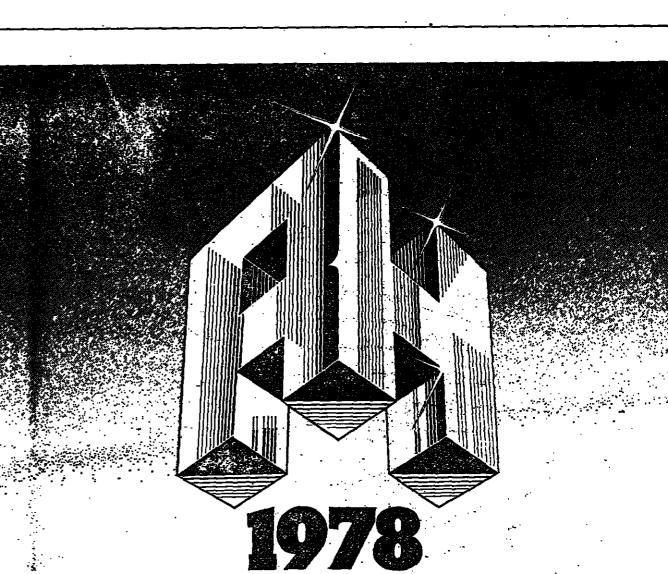
ADVERTISEMENT CANADIAN NATIONAL RAILWAYS



W. G. Buchanan

R. A. Bandeen, president and chief executive officer. Canadian National Railways, Montreal, announces the appointment of W. G. Buchanan as vice-president, corporate affairs, Europe. Formerly European general manager, Mr. Buchanan will continue to be located in In this new position, Mr.

Buchanan will serve as a source of executive intelligence in matters of inter-national trade and affairs that could affect Canadian National's interest and position in Europe. An impor-tant facet of the role will be to serve as a European resource to the vice-president, public affairs at head-



Continued growth

\* Trading profit up by 9%. Profit before tax increases by 11%.

\* Pre-tax earnings represent a return of more than 30% on shareholders' funds at the beginning of the year.

International Limited

\* Order book totals 30% more than last year.

\* The outcome for the current year should show a useful advance.

Results for the year ended 30.9.78

Turnover ... ... ... ... 34,270 31,110 Trading Profit ... ... ... 2,812 2,532 Profit before taxation ... ... **2,103** 2,416 Profit after taxation ... ... Earnings per ordinary share 14.0p 16.1p Net assets per ordinary share 72.7p 60.1p

Hyon require a copy of the Report & Accounts please write to the Company Secretary Ref R/A, PO Box 29, Shrub Hill Road, Worcester WR4 9EO.

MINING NEWS

### Falconbridge raising Canadian output

BY KENNETH MARSTON. MINING EDITOR

plans to restore production at period of the previous year. its Sudbury, Ontario, mines by On the other hand, Tanjong, these properties are esumate about 10 per cent. This will although boosting output last more than 7bn cubic feet mean the recall of some 250 of month to 18 tonnes, showed a the workers who have been laid substantial shortfall in the year off over the past two years as to December 31. Output for the a result of the production cutbacks made necessary by the tonnes compared with 235

weakness of the nickel market. The Sudbury mill, which is currently operating on a five-day week will gear up to seven-day operations in the second half of this year. Mine operating plans for 1879, which are based on conditions and production needs, include the maintenance of full output rates at the Falconbridge and Strathcoma

Production at the Onaping mine at Sudbury is to be resumed while development work at the Fraser will be continued in order to reach pro-duction by 1981. At the Sudbury East property work is to be gradually increased to permit full output there by 1980 if

conditions are favourable. The planned increases in production, however, will still leave the Falconbridge group as a whole operating at well below capacity; in April last year the operations in Canada and operations in Canada and Norway were limited to about per cont of capacity while mine in the Dominican Republic was running at only

#### STEADY OUTPUT AT GOPENG

STEADY OUTPUT AT GOPENG Gopeng Consolidated maintained a high level of tin concentrate copper-molybdenum mine in financial year to 319.87 tonnes; colum-output in December. The pro-duction figure of 1631 tonnes acquired, in a separate trans-first 11 months to 300.94 tonnes.

tonnes for 1977.

The 214] tonnes produced by ldris in the 12 months to December 31 compares with 3013 tonnes produced in the previous year, while in the first three months of the current financial year Pengkalen has produced 231 tonnes against 32 tonnes in the same period of the previous

Dec. Nov. Oct. tonnes tonnes tonnes tonnes tonnes tonnes tonnes 163½ 165½ 185½ 18 14½ 12 18¼ 18½ 18½ 8½

#### NURANDA GROUP'S CS6M OIL DEAL

Canada's Brenda Mines, a 51 per cent-owned subsidiary of Noranda, has entered a CS6m (£2.48m) oil and gas exploration programme in Alberta with the privately-nwned Sulpetro com-Brenda will be able earn 50 per cent of Sulpetro's interest in 60,000 acres by spending CS6m on seismic work and

drilling over the next 15 months. The cost is to be shared twoby Brenda and one-third by Mattagami Lake Mines, which has recently agreed to merge with Noranda through an exchange of shares on the basis of one Noranda for 2! Mattagami. Brenda, which operates a

IN A SURPRISE move yesterday brings the total for the first three action with Sulpetro, an interest Falconbridge Nickel. Canada's months of the current financial in 15 closed-in gas wells in second largest producer of nickel year to 4921 tonnes compared Alberta for CS1.2m subject to after Inco. announced that it with 430 tonnes in the same revaluation next November. Proven and probable reserves on On the other hand, Tanjong, these properties are estimated at

#### ISRAEL'S 1978 **GEM EXPORTS**

ISRAELI EXPORTS of polished diamonds in 1978 amounted to \$1.32bn (£645m), compared with \$1,002m in 1977, reports our Jerusalem correspondent. However, the 31 per cent rise was less than that in the price of roughs during the period. Thus the quantity of stones sold abroad fell in terms of carats. Moreover, the decline in sales became more marked towards the end of the year as the price

to the polished stones. The December exports of \$103.4m were only 10 per cent higher than those of December 1977. An exception among Israel's traditional markets was Japan which doubled its pur-chases in 1978 as compared with the preceding year.

### MINING BRIEFS

BISICHI-JANTAR—November output (tonnes): tin 20.32, columbite 21.61. Eleven months to date: tin 319.87, columbite 300.94. Same period last year: tin 362, columbite 357.70.

EX-LANDS NIGERIA—Production in ore for November 26 tonnes. in ore for November 28 tonnes,
PAHANG CONSOLIDATED—Output of
in concentrates produced and sold for

PETALING TIN—December autout 121½ tannes (November 121½ tannes).

BISICHI-JANTAR (NIGERIA)—Production of tin concentrates in November 1978 was 20.32 tonnes, bringing the total for the first 11 months of the financial year to 319.87 tonnes; columbits production in November was

### New unrest at Namibia mines

THREE MINES in Namibia In one dispute, where more their pay rates, but no strike (South-West Africa) have been than 200 black mineworkers action has ben taken there. affected by unrest among their refused to work at the Krantzblack mineworkers in the wake of last week's strike by 2,000 migrant labourers at Rio Tinto-Zinc's big Rossing uranium mine, reports Quentin Peel from

lohannesburg. Although mining company officials maintain there is no evidence to link the disputes to political action inspired by the South West Africa People's Organisation (SWAPO), the principal nationalist movement in the territory, Pastor Cornelius Ndjoba, president of the anti-SWAPO Democratic Turnalle Alliance, and Chief Minister of Ovamboland, yesterday claimed

herg Tungsten mine near Omaruru, the workers were simply sent home to Ovomboland by the management, and replacements are currently being recruited. White workers at the mine, owned by Noord Mining, Negotiations are still under are reported to be working extra way at Rio Tinto Zinc's Rossing shifts to maintain production.

At the UIS tin mine, owned by the South African Iron and Steel Corporation (ISCOR), four com-pany officials have arrived from Pretoria to negotiate with repre-sentatives of some 300 striking

Negotiations are also under way at the Tsumeb copper mine. are also reportedly unhappy with coastal town of Swakopmund.

Mining industry sources in Windhoek say that recent statements on the implementation of equal pay for equal work in Namibian industry and public service could have sparked off the dissatisfaction.

mine, where the workers went on strike over the implementation of new unified pay scales which intended to be a non-racial basis.
Two lawyers and a clergyman who worked with the Rossing miners, and who were known to belong to Swapo-including Pastor Festus Naholo. Secretary for Foreign Affairs of the move-ment—have since been detained by security police following a

RTZ pays £6m for **United Sterling** 

wholly owned subsidiary of Rio of the second loan. Tinto-Zine Corporation, has agreed to purchase the privately owned United Sterling Corpora-

Products manufactured by USC include polystyrene, thermo-setting plastics, adhesive papers labels and fluorescent

pigments. The Cheshire based company employing around 900 people generates annual sales of around

£30m.
USC has a net asset value according to RTZ of about £5.7m.

#### TILLING U.S. DEAL WORTH \$19M

Thomas Tilling has now con pleted the acquisition of D. L. Saslow Company Incorporated, distributor of dental equipment and supplies with headquarters in

Chicago. The consideration was some U.S. \$19m and marks a further development in the expansion of

new wholly-owned subsidiary named C. T. Bowring Underwriting Holdings to which it is trans-ferring all of the group's shareboldings in insurance companies and underwriting agencies with the exception of Crusader Insurance Company, which is pri-marily a life company, and C. T. Bowring (Underwriting C. T. Bowring (Carlotte)
Agencies), the Lloyd's agency.

authorised, issued and paid-up capital of £2m.

#### NORWEST HOLST

Charles Hill of Bristol has sold to Norwest Holst its building and civil engineering contracting subsidiary. Nott Brodie and Co. for a nominal consideration.
In the six months ended June

30. 1978, Nott Brodie incurred a loss of £560,000. Since then losses have continued, although on a much reduced scale. At December 31, 1977, Nott Brodie had net assets of £144,000 which have been reduced since by the loss for the year.

Nott Brodie has been sold after the injection of two interest free loans of £33,000 and £463,000, the first of which is non-recoverable. However Norwest Holst has agreed to pay to Charles Hill 50 per cent of claims and similar payments which may be receivable over the next two years in respect of work done prior to December 31, 1978.

In addition Charles Hill has given certain warranties which might result in payments having to be made by it to make good shows that some agitation is Amax, where the black workers bomb explosion in the nearby any deficiencies not adequately provided for The surplus, if any,

IN A deal thought to be worth arising from these arrangements Midland Bank and the group's around fom cash RTZ Chemicals, will be used to repay all or part offer to sell holdings of 100 shares or less.

**BIDS AND DEALS** 

The directors of Charles Hill believe that the disposal will strengthen the group and enable it to concentrate on making the most of its profitable activities and interests.

Bishopvale has disposed of its holding of 621,957 ordinary shares representing 6.77 per cent of the equity share capital of Norwest Holst.

#### VAC ACQUIRES 71% OF GENERAL DIESEL

UAC International has acquired 71 per cent of the equity of General Diesel Supplies (Singa-pore) Pte. which itself owns General Diesel (Malaysia) Sdn.

The two companies hold the franchise for diesel engines and transmissions manufactured by the Detroit Diesel Allison division General Motors Corporation

before tax in 1977 were S3.8m and net sales \$54.9m.

C. T. BOWRING

C. T. Bowring and Co. the insurance broker has formed a new wholly-owned subsidiary named C. T. Bowring and Sales and Brunei.

In support of the businesses in Singapore and Malaysia, UAC International has also acquired 71 per cent of the equity of Applied Technical Services of Colorado Inc. which provides a purchasing service in the U.S.

### CHELSEA COBBLER

H. and M. Rayne, a member of the Debenham Group, has acquired the Barrow Hepburn Group subsidiary The Chelsea Cobbler.

The business retails up-market ladies footwear and fashion accessories, with a smaller interest in men's footwear, from five shops in central London.

The cash consideration for the goodwill of the business and-leasehold properties is £150,000. In addition, stock and fixed assets are being purchased at

#### **ELLIS &** EVERARD

valuation.

Ellis and Everard, industrial chemical suppliers has acquired R. W. Peck, the swimming, pool concern, in a £43,500 deal.

#### GRIMSHAWE

A rise in shareholders' funds to £581,518 is shown in the pro-forma balance sheet of Grimshawe Holdings after adjustment for changes made since April 30, 1978. The audited shareholders' lunds before adjustment were £406,847.

Current assets are adjusted up-wards from £1,681,507 to £1,933,550 and current liabilities downwards from £2,290,097 to

group's arrangements with the capital.

holders in the annual report. Coupling this with the growth

man says.

of the flavours business in the

However, it is difficult to make

short-term-forecasts in the inter-national meat trade, he states.

One major factor is the falling number of cattle in the U.S. and Australia over the past three

In the U.S., this has meant in-

creasing meat prices. In Australia on the other hand, shortening cattle supplies has

meant the group having to pay

this industry in Britain.

compete within the EEC.

Builen.

est abattoirs in a favourable and

During 1977-78, arrangements

were made for £23m of long term borrowings while net short-term

The most significant capital

borrowings increased by £4.3m.

more than doubled.

plant in Kent

were £6.22m compared with

f6.4m previously, from turnover of £512.16m against £405.4m. A revaluation of group fixed

assets by Herring Son and Daw amounted to £72m and after

competitive situation," says Dr.

**Borthwick confident at** 

There are good prospects at Thomas Borthwick and Sons for beef sales in the U.S., and for profitability in the group's retail meat operations, Dr. W. A. Bullen, the chairman tells share-balder in the accounts.

The revaluation will influence the profits and large an

UK, the coming year is faced tion will increase next year by with some confidence, the chair- £11m this is not as great as

start of current year

#### **PHOTOMARKETS** SNAPS UP 13 MORE OUTLETS

Photomarkets, the specialist photographic retailer backed by ICFC has acquired a further 13 outlets through the purchase of Davis and Kars Photographics from the Jonathan Fallowfield group. The consideration is unidsclosed

#### COMPUGRAPHICS MINORITY AGAINST CANCELLATION

Minority shareholders of Compugraphics International, the 76 per cent owned subsidiary of organisation. Furness Withy which Furness is attempting to absorb, refused toallow the capital to be cancelled. Furness made a £75,000 offer in October for the 24 per cent of Compugraphics it did not already own and applied to have the share capital cancelled under a scheme of arrangement. At a meeting of minority holders the necessary majority was not

#### ARMSTRONG EQPT. BUYS MORE SHARES

Armstrong Equipment, the automotive products and industrial fasteners concern which announ-ced a £1.4m bid for Anglo-Swiss-Holdings earlier this week, has bought a further 6.738 ordinary Anglo? Swiss shares. This brings its total holding to 1.15m shares (44.4 per cent). Armstrong paid 54p a share for the latest pur-

#### TRAVEL GROUP ACQUISITION

Hunting Lambert, the travel agency group jointly owned by Hunting Gibson and Hill Sagnel, has acquired for cash F. W. Wiles Leave Cars (Berkshire), a Bracknell-based car hire com-pany specialising in the needs of tourists and British expatriates on home leave.

#### SHARE STAKES

Vaux Breweries: The company has been notified of the sales of the following ordinary shares; Mr. P. E. R. Vaux, director, 30,000 held beneficially and by Mr. P. E. R. Vaux and Mr. P. D. Nicholson, chairman, 13,480 held over £400,000. as trustee.

Cope Sportswear-G. M. Cope has sold 128,875 shares leaving holding at 4,007,104 (32,53 per Ductile Steels-Prudential

Group holds 678,316 shares (5.28 per cent).

Birmingham Mint-Astra In-The pro-forma accounts have dustrial Group has bought been issued in a circular to share-further 17.500 shares, making holders giving details of the holding 10.9 per cent of voting

the profit and loss account

through an increased deprecia-

tion charge. Although deprecia-

have advised that the group has been overproviding for the

expected life of some machinery

and buildings.
It is the intention regularly to

review the valuation of fixed assets and where the valuer

revised value in the accounts.

Meeting, 87, Bartholomew
Close, E.C., January 29 at noon.

The purchase of a farm from

### Midland News deal with Keith Prowse

The Keith Prowse theatre ticket business is to change hands. Midland News Association, which runs a chain of provincial newspapers and a travel business, has agreed to buy the. ticket agency and Keith Prowse Business House Travel for

£550,000 cash. . The Keith Prowse Organisation has guaranteed that the two businesses will have earned not less than £290,000 pre-tax profit

in 1978. Midland News, which runs the Express and Star (of Wolverhampton), the Shropshire Star and Shropshire Weekly Newspapers, says that the acquisition will strengthen its retail and travel division.

Keith Prowse Travel is not included in the purchase and will continue to trade as a wholly owned subsidiary of the Prowse

#### LEP AGREES TO BUY J. HADLEY

LEP GROUP, the international freight forwarder, has agreed in principle to acquire Joseph Hadley Group, whose main operating subsidiary is a Lloyds insurance broker. The price is undisclosed, but net assets of Hadley were approximately £200,000 in the latest audited

accounts. The Lep Group wants to expand its insurance broking activities, particularly in America where Hadley is strong. The main strength of Lep-Cannon, the group's existing bloyds brokers, is in the U.K.

#### CEDAR ACCEPTS

The cash offers by Lloyds and Scottish to acquire the ordinary and preference capitals of Cedar Holdings have now become unconditional as to acceptances. which have been received in respect of 9,001,420 ordinary and ,468,842 preference.

The remaining conditions have still to be fulfilled.

#### FRANCIS SHAW

Francis Shaw and Co., the Manchester-based manufacturer of machinery for the plastics, rubber and cable industries, has bought the entire goodwill and work in progress, including specialist hydraulic press product designs of Bradley and Turton for £275,000.

Bradley and Turton manufac-tures rubber moulding machin-ery and is part of the BTR group. It has an existing order book of

PRICE INDEX

### **Bond Street Fabrics** better

WITH pre-tax profits at £451,224 against £441,231, in the year to September 30, 1978, results of Bond Street Fabrics are satisfactory, states the Board.

This is particularly so in the light of the problems which the double jersey section was going through in June. At that stage the board considered it unlikely that results for the year would be as high as last-time.
Turnover was down at 53.43m against 59.39m. At halfway, turnover fell from 54.59m to

£4.39m but pre-tax profit jumped from £151,000 to £248,000. Tax payable stands at £230,401 (£230.793). Dividend for the year is in-

creased to 2.9p (2.6p) per 10p share, as already announced.

#### Gibbons will fight U.S. writ-

To quell speculation about a \$3m writ that it has had served on it (shortly after the announcement of the agreed bid by Letra-set International), the world-famous stamp dealer Stanley Gibbons issued a statement last

Gibbons said that it had received a writ on anuary 2. It was served on the U.S. subsidiary Stangib and claimed "principally damages in respect of gross profits allegedly lost by the plaintiff (Greg Manning Inc.) on sales of Australian postage stamps in the U.S. since 1971.

The plaintiff has made a claim for damages which he estimates to exceed \$1 in respect of loss of gross profits on such sales, and

in addition claims punitive damages of \$2m.

"The board of Stanley Gibbons are of the opinion that the alleged transactions which may have given rise to the claim would not have produced total gross profits in excess of \$20,000 over the seven year period. "The board have been ad-

vised that the plaintiff's claims are not justified and they have accordingly instructed their legal advisers to defend the proceedings vigorously."

#### DATEMA

Datema AB of Stockholm Sweden, has acquired Schroder Computer Services from the Schroder Group. Last year Computer Services generated sales of

# 41.79 28.12.78 AVERAGE YIELD 41.79 28.12.75 104.56 104.28 DM Bonds 6.648 5.658 98.61 98.25 HFL Bonds 8 Notes 8.609 8.695 95.53 96.66 U.S. \$ Str. Bonds 9.595 9.599 95.58 96.00 Can. Doller Bonds 10.264 10.181

YONTOBEL EUROPEAN INDICES

145.76=100%

HOLLIS BROS. & E.S.A. LIMITEI INTERIM STATEMENT-HALF-YEAR TO 30th SEPTEMBER, 1978 (UNAUDITED)

(UNACULI)	٠٠٠,		
urnover	6 months to 30.9.78 £'000 24,360	6 months to 30.9.77 £'000 22,873	
rading Profit	1,546 541	1,536 510	
roup Profit before Taxess Estimated Corporation Tax	1,005 522	1,026 534	
roup Profit after Taxess Preference Dividend	483 2	492 2	
	481	490	

The emerging profit for the six months trading is similar to the same period in the previous year.

Higher interest charges and keener prices are responsible for the slight reduction in profit.

The second half appears stable and whilst it is not possible to project profits accruing at the same rate, we anticipate an improved profit for the full year.

The Directors have declared an interim dividend of 5.192% net on each 25p Ordinary Share equivalent with deemed Advance Corporation Tax to 7.75% (7.15%) gross. You will observe the interim is increased and it is anticipated that the maximum dividend permitted will be recommended as the final dividend.

Payment will absorb £117,541 (net) and will be made on 28th February, 1979 to Shareholders whose names are on the Register at the close of business on 2nd February, 1979.

By Order of the Board James F. Dowzali Group Secretary

expansion is at Mackay in Queensland, where the group is 14,553,000 — 28,601,435 + 1,033,143 098,780,000 — 33,896,005 + 28,007,187 building a new beef facility at a cost of over AS4m. It will be completed by March 1979 and capacity at this works will be 824,045,858 - 7.750,181 2.199,875,398 + 22,290,139 New Zealand hygiene invest-ment, to comply with EEC regulations, is necessary simply to stay in business. In 1978 1.784.746.087; + 24.314.999 about half the New Zealand divi-sion's capital budget was spent 204,457,205 - 2,056,118 in this way, the chairman states. & other Secs. More positive has been the building of a new flavours pro-duction unit for Barnett and 2.199.875.398 + 22,290,139 Foster in the U.K. Also Midland

LIABILITIES 9,226,000,000

9.225.000.000 -- 350.000.000

### BANKING DEPARTMENT LIABILITIES

#### previous director of the comhigher prices for livestock. The UK fresh meat slaughterpany. Mr. Raymond Blove, is announced for the first time in ing and wholesale operations are the directors' report. Borthwick paid £168,000 on August 23, 1978, for Brookwood Farro near cancht up in the malaise affecting Excess slaughtering capacity in the industry is ignored by Government, farmer and consumer alike, the chairman says. Dorking, Surrey. The price was set by an independent valuer,

said Dr. Bullen yesterday. Mr. Bloye was a director of Government action in UK pro-Borthwick for only five months, joining the Board when his own cessing is becoming vital if we are to have a viable industry to company, Matthews Holdings, was taken over in 1977. Brook-We are striving to lessen the wood Farm has provided faciliimpact of our own adverse results by cost savings and judicious ties for a subsidiary of Matthews Holdings. capital expenditure to put our

### BANK RETURN

Cattle Products have completed the new solvent development For the year ended September 30, 1978, profits before tax

### NatWest Registrars Department National Westminster Bank Limited has

been appointed Registrar of ...

### MANCHESTER UNITED FOOTBALL CLUB LIMITED

All documents for registration and correspondence should in future be sent to:

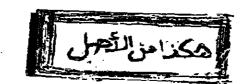
National Westminster Bank Limited Registrar's Department POBox No 82 37 Broad Street Bristol BS997NH.

Telephone Bristol (STD Code 0272) Register enquiries 290711 Other matters 297144

### ANOTHER SUCCESSFUL YEAR FOR SCOTTISH ANTIGARIE **New Business Results** in the UK 1978 1977

(Unaudited) Individual Policies £m £m New Annual Premiums 14.5 **Group Policies** New Annual Premiums 4.5 5.4 5.0 **SCAMPI** (Scottish Amicable Pension Investments Ltd) Premium Revenue 14.3 Premium Income Growth Annual Premium Revenue 43.4 These figures include Scampi Premiums!





INTERNATIONAL COMPANIES and FINANCE

### Street Companies and Markets Pesenti

### empire to be reshaped further

Profits at Mile 1978, result of 1978, result o

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P 7477 - 279 12 \*\*

February 1979

SPECULATION IS growing that Sig. Carlo pessent may be planning further moves to reorganise his financial and industrial holdings following the so shead for the sale of his 79 per cent stake in the Credita Sampariale.

As was the case with the purchase of Credity Commerciale by the State Courodied bank Monte del Paschi di Siena for a reporter 1230hn (\$277m) there has been no word from the camp of the Milan financier himself or the year is said announce;

However, suggestions in Milan now are that he may proceed to reshuffle shares in the two master companies of the group: Italmobilisre, which embraces his banking and peculation above it it bas had in insurance interests, and Ital-cementi, which both controls after the about the agreed bid by he fact social, the by the up dealer say its ed a statement. the group's tement manufacturing activities and holds the entire L16bn capital of Italmobiliare.

There have also been some said that # t reports that Sig. Pesenti may be contemplating the disposal A the U.S. subsite claimed prince respect of a gedly lost by eg Manning to of the biggest single component of his banking empire. Isituto Bancario Italiano (IBI); of which Italianobiliare has 100 per eg Manning lact cent control and which is one Australian pm he U.S. since it of the country's largest private tiff has made adsector banks, with deposits in excess of L3,000bn.

ats on such such rumour, shares in Italcementi first alno months this year in passenger car production in have more than doubled on the sharp contrast with declines at Spain in the nine months this Ford produced the best perMilan bourse in the past six SEAT. Spain's leading car year was 717,000 units, the same formance with 50,000 units in the first nine months of against 41,000 in 1977, followed day alone the stock added 3.6 According to the industrial 1977. sound of Sun of the opinion per cent or 1.800.

LESDESCHORE M. iven rise to be & have produced & The reason for any such scheme is the pressure on Sig. S in excess of the Pesenti to sort out certain cross holdings within the group, which he controls thanks the plainting to a 37 per cent stake in Italstuded and the S

Instructed liers The empire is one of the largest in private hands in the country. While on the industrial i deleta the page front, Italcementi reported 1977 sales of L242bn (\$501m), almost entirely from cement AB of Since making its banking and insurance assets are valued conservatively at about L1.000bn

#### EUROBONDS

### Higher yields ahead for Eurodollars

THE MARKET in Eurodellar bond straight-debt issues continued to drift lower yesterday, in what dealers described as an important correction in prices which will establish doublefigure yields for prime quality

Falls of between 1 and 1 point were established widely throughout the list.

Many bond market participants have been saying that a further sharp correction in prices has been looming for some weeks, in order to estab-lish similar yield levels in the offshore dollar bond market as in its U.S. counterpart bond

This discrepancy explains the failure of the Eurobond market to share in the recovery in the U.S. bond market, where a slight moderation in short-term a more stable dollar has created fresh investor interest.

Among issues verging on 10 per cent yield levels yesterday, the Australia 61 per cent bonds due 1986, were yielding near 9.85 per cent

In the Deutsche mark sector, the forthcoming BM 200m Kingdom of Denmark bond, via Westdeutsche Landesbank, will be based on two tranches of DM 100m each, both with bullet

One tranche will be in six-before new industrial demand year notes at 5.75 per cent, the can absorb the surplus capacity other for 10 years at 6.5 per cent, the existing in Malaysia for the

### Rise in retail spending fails to benefit Karstadt and Kaufhof

BY GUY HAWTIN IN FRANKFURT

WEST GERMANY'S two largest expected to see its acquisition department store groups - break even. Karstadt and Kaufhof-report

increase in turnover. However, when adjustments are made for increased sales space, turnover in real terms fell marginally. Kauthof, the federal republic's second largest depart-

(\$3.9bn) to DM7.38bn. Growth, however, was relatively lack-lustre at about 4 per cent. Because of Karstadt's situation with Neckermann, comparisons between the two concerns are scarcely fair. Neckermann was in weak shape when taken

The report from Karstadt 84 department stores returning relatively disappointing 1978 shows that the parent group's a 1978 turnover of DM 5.6bnperformances. While there was turnover last year, including a substantial rise in retail spendvalue added tax, grew by 13.9 99 stores run by the more
ing for the stores, it was
channelled into relatively
allowances for increased sales
turnover rise 6.8 per cent to
DMS.14bn. When
down-market Kaufinalle saw
allowances for increased sales
turnover rise 6.8 per cent to
DM 1.5bn. Group sales space
actually fell by 1.5 per cent. But motor industry.

The control of the second state of the second sta order group it acquired two Karstadt operation and that this years ago, reported a hefty changeover has distorted both 53,200 at the mid-year mark. Both companies saw their sales space and turnover figures. Group figures — including Kepa Kaufhaus and the self-

Gesellschaft-show turnover up 5.8 per cent to DM 8.89bn. Total ment store operation, saw turn-over rise from 1977's DM7.08bn space was up 10.4 per cent. soles space was up 10,4 per cent, while the total number of group cent to 66,400. Turonver of Neckermann Versand, now the Karstadt mail order operation, amounted to DM 1,69hn. This is 27.6 per cent down on the previous year's figures, but in 1977 the

service Karstadt SB Warenhaus

. A breakdown of Kaufhol's sales shows the natent concern's 2.6 per cent up on 1977. The

travel trade operations do well. Karstadt saw its newly-acquired N-U-R Neckermann-Reisen increase sales during the 1977-78 husiness year (ended October 31) by 19.2 per cent to DM 1.07bu. Kaufhof's travel business reported a turnover of DM 302m for the 14 months from November 1, 1977 to December 31, 1978. Unlike Karstadt, Kaufhof has aligned its travel trade business's financial year with the rest of the group, but for the old 1977-78 over, and early last year Kar. Neckermann department stores hannels year (ended occuped stadt made it clear that it sales were still included in the 31, 1978) sales were 21 per cent financial year (ended October would be 1979 at least before it overall turnover figures. The up on 1976-77.

### Ford Espana increases sales

FORD ESPANA, the Spanish and a similar maintained level Citroen's sales overseas imsubsidiary of Ford Motor of the of output persisted at Chrysler proved 19,000 from 18,000. Against this background of and production increases in the Citroen (with 77,000). Overall

205,000 from 261,000. outside Spain dropped to 36,000 1977 the group returned profits Production at Renault was from 38,000, with Chrysler slip of Pta 405m (\$5.8m). roughly unchanged at 167,000 ping 13,000 from 17,000. AP-DJ

Overall domestic sales by the Spanish motor industry dropped to 461,000 from 483,000. Again publication Fomento de la Propublication Fomento de la ProSales abroad of Spanish-made pared with 54,000. SEAT sales
diction Fording From 198,000

passenger cars in the JanuaryOctober period compared with
138,000 in the opening nine
138,000 in the opening nine output at SEAT dropped to from 51,000. At Renault, sales a substantial loss this year. In

### Slimmer Utico sees recovery

UTICO: THE 72.7 per cent material and operating costs R2.85m (\$3.3m) for the year to owned South African tobacco have been moving steadily up. September 30 on the back of a BAJF. Industries, is gradually owned subsidiary B.A.T. Central of scale smerging from its disastrous Africa caught in a price freeze operations.

Stripped of the loss-making con-fectionery operation, Utics has reported a taxed attributable per cent furnover herease to R71.5m (\$83.1m). Despite the improvement,

there is no seturn to the dividend-paying lists, nor is Mr. Enrique Rankin, the chairman, prepared to undertake that ently happy with no income on dividends will be resumed in its investment until such time as 1979

Utico has been in the position tained growth tack that its market share of a rela-

profit of R3.35m (\$8.9m) for the in Rhodesia. Utico's efforts are exercised an option to buy a 50 year to September 36, 1978, quality of its South African small operating colliery and quality of its South African small operating colliery and earnings. Once the target of a coal in the northern part of 15 per cent return on share- Kanhym's reserves. BP also holders' funds is attained, conholds an option to buy a 50 per sideration will be given to re- cent share in coal in the suming dividends. southern Meanwhile, the UK parent, paying

B.A.T. International, is appar-Utico gets back on to a sus-

doldrums while raw cent taxed profit increase to tember 30),

and snack foods subsidiary of wards. In Rhodesia, S5 per cent-record maize crop and economies owned subsidiary B.A.T. Central of scale at the feedlot

venture into confectionery, fee eigerettes and escalating. Kanhym is sitting on coal re-writes Jim Jones from Johan costs, reported a virtually un-serves estimated at about 100m nesburg taxed profit of tons amenable to strip mining. changed taxed profit of tons amenable to strip mining. Rhodesian \$946,000 The coal lies in the middle of (U.S. \$136,400) but with a mineral rights being explored deteriorating political situation by BP Coal and in 1977 BP in Rhodesia. Utico's efforts are exercised an option to buy a 50 southern block and is currently Kanhym R142,500

annually to maintain this option. The cost of developing an opencast mine which will sell in export markets through Richards Bay is probably in the The South African feeding region of R50m and Kanhym is tively stagnant South African suffs and agricultural group steadily increasing its net cigarette market has been in Kanhym has reported a 58 per current assets (R9.1m at Sep-

### Rising costs upset Malaysian chemicals

BY WONG SULONG IN KUALA LUMPUR

21m ringgits (U.S.\$9.72m) last year, Chemical Company of Malaysia, the major chemical manufacturer in the country. says profits for the current year are expected to be less because of rising prices of raw materials and excess capacity.

Eavourable rubber and palm

oil prices will ensure a steady demand for fertilisers by the plantation sector, but against a background of rising prices of raw materials, the company does not expect profits from fertil-isers to increase significantly. It will also take some years

AFTER A RECORD profit of production of chlorine and of chloralkali products.
21m ringgits (U.S.\$9.72m) last hydrochloric acid, and with the Chemical Company of recent increase in electricity costs, profits from these pro-

ducts are expected to be modest. total to 50 per cent, compared Electricity is the biggest single with 42.5 per cent the previous cost factor in the production year.

### Ruling on anti-trust cases

CANBERRA-The Australian trust judgments made government will introduce foreign courts present to the

Attorney-General said.

The government believes the because of the risk some anti- cartel in 1972.

Chemical Company of Malaysia is paying out a final dividend of 30 per cent, bringing the year's

legislation this year enabling it national interest. Official to make anti-trust judgments by sources said the proposed law, foreign courts unenforceable in results from a series of cases Australia, Mr. Peter Durack the in the U.S. involving allegations that Australian uranium companies were part of an interproposed legislation is desirable national uranium price-fixing

### **Douglas** plans to diversify

By John Wyles in New York MCDONNELL DOUGLAS is seeking acquisitions in the energy field in a strategic move to reduce its dependence on aerospace activities which currently account for 96 per cent of its sales.

Diversification has been part of the leading U.S. aerospace company's corporate plan for some years, but the approach has been highly cautious and acquisition targets limited to advanced technology companies with activities related closely to McDonnell's existing businesses. Mr. However,

chief executive officer, has revealed that both the tempo and policy of diversification may be expanded following the creation of a special department for developing a strategy. The probable vehicle for developing away from aerospace is the McDonnell Douglas Automation Company which is an outgrowth of the company's internal computer operations. Offering broadbased computer services, this subsidiary operates 63 sales offices and its 1978 sales are thought likely to approach 7 per cent of McDonnell Douglas's anticipated gross Last year McDonnell Douglas was unsuccessful in a bid to

acquire Data 100 Corporation, a manufacturer of remote data processing terminal systems. "That was an example of the type of company we are interested in, said Mr. McDonnell. le went on to stress his com-

pany's interest in expanding into the energy field where its existing activities are largely limited to solar power developments. "It's obvious we're in the era of high cost energy. We have expertise to offer in this area," he added. He was optimistic about the outlook for aerospace operations

but doubted that commercial airlines would maintain last year's unusually high order rate of close to \$18bn of new aircraft. McDonnell Douglas is lowering its profile in the commercial aircraft sector. having decided not to try developing a rival design in the medium range 200-seat market to challenge Boeing and Airbus Industrie. How ever, orders for new aircraft last year were well above those booked by McDonnell in 1977 and the company's president continues to pin his faith on the potential for further developments of the DC10.

#### Ruling setback for Citicorp By Our New York Correspondent

CITICORP'S U.S. expansion plans have suffered a setback as a result of a Federal Appeals Court ruling that the bank must divest itself of its Advance Mortgage Corporation subsidiary by the end of next year. The decision upholds a Federal Reserve Board ruling in

March of last year denying Citicoro the right to retain the subsidiary it acquired in 1970. Legislation that year required that, unless they were granted an exception, single bank holding companies had to divest non-hank activities by the end of 1980. Citicoro applied to retain Advance Mortgage, one of the largest mortgage banking companies in the country, in 1973, but then, and again in 1977, the Fed denied the application on the grounds that the acquisition would have an adverse impact on competition.

Citicorp. like several other of the nation's largest banks, has been seeking to expand aggressively in the consumer banking market nationally, partly to overcome laws which limit banks' deposit-taking operations

to a single State.

Morteage banking has been one of the areas which Citicorp other banks have been expanding in pursuit of this

# **McDonnell**

Sanford McDonnell, president and

revenues of more than \$4bn.

#### BY DAVID LASCELLES IN NEW YORK BOLSTERED by blockbusters spread fairly evenly among the the firing of its president, Mr. like Star Wars and Grease, the major film-makers. Twentieth Alan Hirschfield. This in turn U.S. cinema industry's box office Century Fox had Star Wars, exposed it to takeover interest. U.S. cinema industry's box office Columbia had Close Encounters, from two quarters, MGM and \$4.12bn last year, the Commerce Warner Communications Super- General Cinema both of whom man, and MGM Goodbye Girl. Department estimates in its

seen by U.S. film industry

latest industrial survey. And Superman now drawing the during their first weeks of ment major which came closest crowds, the department predicts release. The latest to make this to the brink before being a further 16 per cent rise in claim is Superman, which rescued by a spirited entre-revenues this year to \$4.78bn. Warners said garnered box preneur, Mr. Kirk Kerkorian, Warners said garnered box preneur, Mr. Kirk Kerkorian, office receipts of \$18.5m in its has undergone a big shake-up. The once-ailing film industry thus seems set for a fourth year second week, the highest sevenof rising revenues, following its day figure ever.

Further record revenues

agonies earlier this decade when several large companies had close brushes with bankruptcy. industry is a sharp reduction in Although the most spectacular smash hits have been hightechnology science fiction films like Star Wars and Close than 100 films, less than half the Encounters of the Third Kind, 1967 figure. Although this drop analysts point out that the recovery is actually quite broadly based, including rock is to some extent compensated buted to the last quarter.
by the huge amounts now being Among the attraction spent on films (\$50m on Supermusicals like Saturday Night Fever, films with strong man alone), it marks an overall decline in activity. Nor has the industry been feminine themes like Julia.

Woody Allen comedies, and nail-biters like Jaws. immune from woes. The Begelman affair weakened Begelman affair weakened The Champ, starring Jon Voight Columbia Pictures and led to and Faye Dunaway. The recovery has also been

are currently trying to buy a 20 latest industrial survey. And Most of these major films per cent stake in the company, with other hig attractions like have set new box office records MGM itself, the entertain-

> Its latest quarterly report published this week shows that But the statistics show that just over half its revenues now the price being paid by the come from hotels and gambling (mainly its operations in Reno the number of films made. In and Las Vegas) and nearly half 1978, it is estimated, the major its film revenues from the film-makers turned out fewer licensing of television rights to Gone with the Wind to CBS for \$35m, \$30m of which is attri-

> > Among the attractions for 1979 are follow-ups on both Butch Cassidy and the Sundance Kid, and Star Wars, a new scifi horror film Alien, and Franco The Zefferelli's latest production.

### Founder of Hilton hotel world chain dies at 91

BY STEWART FLEMING IN NEW YORK

Wednesday in Los Angeles at insolvency, barely surviving the age of 91. from one week to the next in

receipts spared to a record

reneur whose career in the hotel business dates from 1907 but the market for hotel when the family turned their properties around the country general store in San Antonio, was seriously weakened and be Texas, into an hotel in order to raise cash in the panic of 1907. oil venture to expand his hotel Mr. Hilton was then in his interests again in investors recorded array teems and he really began He bought a succession of first-10.17 per cent. early teens and he really began his business career in 1919 after

his army demobilisation. He set off for Texas intent on buying a bank, but on his arrival in the booming oil town of Cisco he bought instead the run-down Mobley Hotel, which was the foundation of his hotel

an hotel chain across Texas, but lines bought control of the in 1929, as the great depression business.

MR. CONRAD HILTON, founder struck, credit dried up and the of the world-wide chain of travel market slumped. Mr. Hilton luxury hotels, died on Hilton hovered on the edge of Like his father, a Norwegian spite of closing floors in several immigrant into the United hotels and removing telephones. States, Mr. Hilton was an entre-

sion controlling only five hotels was able to use profits from an

class big city hotels including the Sir Francis Drake in San Francisco and the Plaza in New York in the years leading up to the purchase in 1949 of the Waldorf-Astoria,

In 1964, the parent company spun off the international operation to its shareholders In the next ten years he built and in 1967 Trans World Air-

### Cut in yield estimates as U.S. bonds rally

By Our New York Corresponder DEALERS yesterday trimmed back their estimates of the likely yield on the new 15-year treasury bonds, as prices in the bond market generally rallied. On Wednesday, the Treasury sold one-year bills at a record discount rate of 9.605 per cent,

over 104 per cent. In December, the Treasury's last one-year bill sale resulted in investors receiving a yield of At the beginning of the week,

equivalent to a yield of just

some dealers were anticipating that the sale of the new 15-year Treasury bonds could result in the securities yielding as much as 9.10 per cent. But as the bond market staged a modest rally, partly in response to the hetter performance of the dollar, estimates of the likely yield have been reduced to perhaps 9.03-9.05 per cent.

### FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

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Age Akt. 94, 88

Australia 845 83

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Ecatrice Foods 74, 83

CECA 94, 87

CECA 94, 87

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CECA 94, 88

CECA 94, 88

CECA 94, 88

CECA 95

CECA 94, 88

CECA 95

CECA 96

CECA 97

SECA 98

CECA Sweden 94, 98 . UK 84, 85 ...... UK 87, 93 ...... DRUTSCHE MARK STRAIGHTS Argenting 84- 88 ..... Austria 54- 90 .....

Austrial 5 88
Austrial 52 90
Bankamerica 52 90
CECA 5 88
Chanda 44 83
Ch. Manhatin. O/S 5 83
Commerzhank WW 32
Commerzha

F. L. Smidth 47, 83 ....
Finland 47, 83 ....
First Chicago 37, 93 ....
GZB 47, 93 ....
Hild-Liechenstein 4, 100 Fin. NV. 41, 93 ....
Malaysia 44, 90 ....
Manitoba 4 93 ....
Novag 4 93 ....
Novag 4 93 ....
Novag 4 93 ....
Novag 4 93 ....

OTHER STRAIGHTS IS
Rank O/S Hold 11½ AS
Auto Cote B. 7 93 EUA
Copenhagen 7 93 EUA
Copenhagen 7 93 EUA
Finland Ind. 7 93 EUA
Panama B4, 93 EUA
Panama B4, 93 EUA
Algamene Bk B4, 83 FI
Brazill 7½ 83 FI
Brazill 7½ 83 FI
Brazill 7½ 85 LuxFr
Brayer Lux 8 86 LuxFr
Rother By
Brazill 7½ 88 LuxFr
Norway 7½ 83 LuxFr
Norway 7½ 83 LuxFr
Norway 7½ 83 LuxFr
Solvay Finland Ind. 8 85 LuxFr
Renault 7½ 88 LuxFr
Solvay Finl 8 85 LuxFr
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Gestetner BV 11 88 £ FLOATING RATE Bid Offer C.dua C.com

987, 991, 20/4 101,

951, 954, 351/1 51,

951, 954, 321/1 --
951, 97, 12/4 11.31,

977, 977, 27/1 12.94

961, 97, 18/4 101,

961, 971, 18/4 101,

961, 971, 18/2 91,

951, 981, 25/1 12.4

951, 981, 25/1 91,

977, 971, 12/1 91,

977, 971, 12/1 91,

977, 971, 12/1 91,

977, 971, 12/1 91,

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977, 971, 12/1 91,

977, 971, 12/1 91,

977, 971, 12/6 12/1,

981, 991, 11/1 91,

977, 971, 12/6 12/1,

981, 991, 12/6 12/1,

981, 991, 12/6 12/1,

981, 991, 12/6 13/4

977, 971, 12/6 13/4

977, 971, 12/6 13/4

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977, 971, 12/6 13/4

977, 971, 12/6 13/4

977, 971, 12/6 13/4

977, 971, 12/6 13/4

977, 971, 12/6 13/4

977, 971, 12/6 13/4 American Express 82. 04
American Express 82. 04
Arab Intl. Bk. M8.5 83 04
BFG Fin Co M5.5 89 04
B. BE Salvedor M8 83 04
B. Nac. Argent M8 83 04
Bank Handlowy M8 82 14
Bk. of Tokyo M57, 93... 04
Banque Worms M57, 85 04
Bq. Ext. d'Alg. M8.375 84 04
Bq. Ext. d'Alg. M7.5 85 04
Bq. - Afr. Occ. M6.5 83 04
CCCE M5.25 98 04
CCC M8.25 98 04
CCC M8.5 85 04
CCC M8.5 85

No information available—previous day's price.
 Only one market maker supplied a price.

mid-price; the amount issued is in millions of currency-units except for Yen bonds where it is in billions. Change on week. Change over price a week earlier. Floating Rate Notes: Denominated in dollars unless otherwise indicated. M=Minimum coupon. C.dta=Date next coupon becomes effective. Spread=Mergin above six-month offered rate for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Chv. date = First date for conversion into sheres. Chv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Pram - Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

CREDIT SUISSE

Ruffoni.

### Sifting through the Ruffoni legacies

BY JOHN WICKS IN ZURICH

WHEN Credit Suisse, one of little, if any, management of Switzerland's big three banks, operations or costing. started to investigate the The companies were unimplications of its "Chiasso covered in the spring of 1977
scandal," it found itself heir discovered that its branch in

companies. Among these un-nelled some SwFr 22bn of sought investments was a rients funds through a Liechthan 37 different undertakings Finanzanstalt. The Ruffoni headed by the Wilst beard headed by the Milan-based group had originally been a forwarding agent, Gottardo conventional loan-client of the Chiasso branch of Credit Suisse, but had been "integrated" into The group, Crédit Suisse says, Texon some time in 1976, having was in an "indescribably neglected condition." It took slipped into financial difficulties the feam of Swiss financial By the time the Zurich trouble-shooters a considerable auditors had moved in, the time to determine just what Ruffoni parent company was operations were involved ripe for bankruptcy. However,

was virtually no control over remained good at home and subsidiaries by the parent abroad and one affiliate, the company, accounting and even specialist carrier. Sittam, had simple book-keeping were fre been working well since Ruffoni quently months out of date - acquired a stake in 1973. the bank's own auditors were . As in the case of the ex-

to a vast network of Italian Chiasso had improperly chan-Originally a tangled or two According to the bank there the reputation of the group had

back on its feet and eventually. After the emergency pro- as the group's own haulier. sell it. Up to now, only those operations—including finance and property companies, but also a racehorse stud—have

group of at least 37 Ruffoni group has been streamlined and may move out of the red in the current year. Credit Suisse hopes to dispose of the remaining operations in a year.

been disposed of all which are outside the framework of the Felixstowe. The former parent, forwarding agent and haulage business. The bulk of the group is in time to be sold as a single unable to reconstruct with any Texm-owned Winefood group, unit, although Crédit Suisse degree of reliability the books Crédit Suisse decided to hold does not expect this to happen of past years—and there was on to most of the group, put it until 1981 at the earliest.

gramme of 1977, a major restructuring plan was taking place all last year. The main task has been to clear out dead wood, give the individual companies and the group as a whole effective management and control mechanisms and separate companies, the generally improve performance. Particular attention has been paid to pulling the parent company in Milan together with the

unions agreeing to a voluntary

Gottardo Ruffoni SpA, as well as the Sittam company, the Swiss subsidiary G. Ruffoni SA in Chiasso, the French GR France Sarl in Modane and the British affiliate GR Line UK of whose capital has been increased from 500m lire to 3bn lire, is expanding its forwarding business, while its sub-

Already, the re-organisation is making itself felt. The group incurred an estimated loss equal to SWFr 26m (\$15.3m) last year, when group turnover amounted to some SwFr 500m (\$295m). This year, losses are expected to fall to something like SwFr 5m (\$2.94m) and in 1979 the group hopes to be in the black.

The 1978 loss would be accounted for almost solely by resignation scheme:
Gottardo Ruffoni SpA, though
ment administers a complex of
six companies headed by
mer parent is now healthy, says

Cortardo Ruffoni SpA, though
this deficit will also be much
lower than in 1977. The former parent is now healthy, says the Zurich bank. Both the Swiss and the French subsidiaries appear to have moved out of the loss zone this year.

The future of the UK subsidiary in Felixstowe is "not quite clear," says Crédit Suisse. GR Line UK's future development depends on container traffic. According to the bank, the UK Ruffoni company has sidiary Matrasped Tiss SpA is been being gradually built up to act tured." "personally re-struc-

World Bank 64, 88

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Straight Bonds: The yield is the yield to radomal an of the

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### Banque Canadienne Nationale

### 104th Annual Report

		_				
Condensed Statement of Assets and Liabilities as at October 31, 1978						
Assets	1978	197				
Cash resources	0.\$1,279,525, <b>468</b>	ca\$1,129,985,76				
Government and other securities	944,428,688	764,333,7				
Loans, including mortgages	5,387,637,161	4,817,212,5				
Bank premises	47,586,663	44,207,83				
Securities of and loans to a corporation controlled by the bank	2,732,500	2,827,50				
Customers' liability under acceptances, guarantees and letters of credit, as per contra	201,444,264	162,966,28				
Other assets	9,073,564 \$7,872,428,308	2.679,62 \$6,924.213,28				
Liabilities						
Deposits	\$7,303,716,715	\$6,472,367,20				
Acceptances, guarantees and letters of credit	201,444,264	162,966,26				
Other liabilities	29,143,487	12,211,40				
Accumulated appropriations for losses	73,350,189	62,141,70				
Debentures issued and outstanding	70,998,000	60,000,00				
Capital, rest account and undivided profits	193,775,653 \$7,872,428,308	154,526,71 \$6,924,213,28				

Statement of Revenue, Expenses and **Undivided Profits** 

On Children		
Revenue	1978	1977
From loans	x\$ 574,164,826	ca\$ 495 110 704
From securities	69,618,798	58,307,345
Other operating revenue	40,591,952	27,710,885
Total revenue	684,375,574	581.128.934
Expenses	•	
Interest on deposits and bank		
debentures	436,058,619	362,467,451
Salaries, pension contributions		
and other staff benefits	117,551,846	101,694,630
Property expenses, including	•	
depreciation	27,538,557	23,927,209
Other operating expenses, including		
provision of \$23,863,476 (1977 :		
\$21,012,797) for losses on loans	•	٠.
based on live-year average loss	EA SER EEG	4E 4E9.010
experience	54,360,556	45,453,910
Total expenses	635,509,578	533.543.200
Balance of revenue	48,865,996	47,585,734
Provision for income taxes	16 100 666	70 777 060
relating thereto	19,166,000	20,827,000
Balance of revenue after	20 000 000	20 750 724
provision for income taxes Appropriation for losses	29,699,996 8,671,642	26,758,734 7,222,440
Balance of profits for the year Dividends	21,028,354 11,015,443	19,536,294 8,960,000
Dividenda	10.012.911	
Undivided profits at beginning of	10/015/211	10,576,294
A651     A651     A651     A651     A651     A651	537,248	460,954
1sei	10,550,159	11.037.248
Transferred to rest account	10,000,000	10,500,000
Undivided profits at end of year	\$ 550,159	\$ 537.248
Curistaen biolita at eno di Jeni	7 330,133	Ψ 337,24 <u>0</u>

Jacques Douville Executive Vice President and Chief General Manage

#### E Banque Canadienne Nationale

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Agency: 450 Park Avenue

Branch: The Portland House 72/73 Basinghall Street London EC2V 5AJ

# An Audio Biography

### The 1978 Pioneer Annual Report

It tells you the story of the what, where and how of the overall operations of an innovative consumer electronics manufacturer during the fiscal year ended September 30, 1978. It gives you a glimpse of Pioneer's past audio product triumphs, present audio/video projects and diversified plans for the future. With net sales of US\$1,066,323,000 and net income of US\$69,200,000, it should be quite a fascinating story. Pioneer's 1978 Annual Report. Get your copy now by filling out and mailing the coupon below to us.

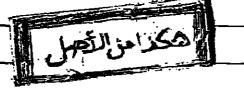
(The U.S. dollar amounts represent translation of Japanese year for convenience only at the rate of \$195 = U\$\$100.)

Pioneer Electronic Corporation

Pioneer Electronic Corporation General Administration Section. 4-1. Meguro 1-chome, Meguro-ku, Tokyo 155, Japan I would like to have a copy of the 1978 Pioneer Annual Report.

Name:

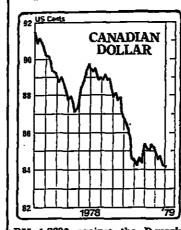
Address: (PLEASE PRINT)



### Dollar eases after Jan. 4 early rise

country depressed the dollar in 80 points on the day.

late trading, following a general improvement for the U.S. cursteady in early trading, followlate trading, following a general improvement for the U.S. currency in the morning. Expectating the improvement in the U.S. tions of firmer New York interest currency during previous tradrates, amid rumours of an im-pending rise in banks' prime lending rates, and possibly the Federal Reserve discount rate, helped to underpin the dollar. During the afternoon it began to ease back however, and the announcement from Iran only encouraged this movement. Trading was fairly thin, and there was no obvious intervention by central banks, although they may have taken the opportunity to push up the dollar from time to time. After touching a best level of



DW 18830 against the D-mark. the dol! : closed at DM 1.84971, compared with DM 1.8490 on Wednesday. The U.S. currency rose to SwFr 1.6640 in terms of the Swiss franc. before closing at SwFr 1.6492], compared with SwFr 1.6472] previously. The highest point touched against the Japanese yen was Y197.15, and the dollar closed at Y196.40, compared with Y196.60.

On Morgan Guaranty figures, the dollar's trade-weighted de-preciation widened to 9.1 per cent from 9.0 per cent. The pound's index, as calculated by the Bank of England, was unchanged at 63.7, after standing at 63.8 at noon, and 63.7 in the morning. sterling opened at \$2.0155-2.0165. and touched \$2.0200. After easing to \$2.0090-2.0100, the pound touched a best level of \$2.0225-

News that Iran's army com- 2.0235 in the afternoon, and nander has resigned and left the closed at \$2.0160-2.0170, a fall of

ing in European centres. Conditions were fairly nervous, however, ahead of the mini-summit meeting due to start in Guadeloupe today. There was also some speculation that a major U.S. bank may push up its prime rate to 12 per cent from the general level of ill per ceni

FRANKFURT-The Bundes-

bank did not intervene when the dollar rose to DM1.8528 against the D-mark at yesterday's fixing, compared DM1.8364 on Wednesday. lively late trading the U.S. currency lost some of its early improvement, however, easing to DM1.8515. There were no new developments influencing the market, and dealers were not expecting any significant fall, since central banks appeared determined to hold the dollar fairly near to its present level. AMSTERDAM-The dollar was fixed higher, at F12.0000, compared with F11.1.9875 on Wednesday.

ZURICH-The dollar eased slightly from its best levels in active trading. It touched SwFr 1.6645 in the morning, but fell back to SwFr 1.6515 near the close. The early rise was attributed to a continuation of the previous day's short cover-ing, following expectations of a fall by the dollar in the New Year. Rumours persisted about a possible rise in the U.S. discount rate, while the market was also nervous ahead of the weekend meeting in Guadeloupe. MILAN-The lira improved

against the D-mark in early trading, with the German currency falling to L450.60, from L453.45 on Wednesday. The Swiss franc also declined, easing to L505, from L507.15. The dollar was very firm however, rising to L837.25 in the morning, from Wednesday's fixing level TOKYO-The dollar gained

ground in the first trading day of this year. It climbed to Y196.80 against the yen from Y195.05

•	• .	_ :			
THE POUND SPOT	FO	RWA	RD A	GAIN	ST £

/ L	1 Otto	<u> </u>	*********	<u> </u>
Close	One month	2 p.e.	Three months	ã p.a.
30-2-0170 15-2-3955 14-4-021 55-58-55 14-10-54 12-3-761 30-94-10 30-141-70 79-1-581	0.20-0.10 c.pm 0.40-0.50 c.pm 11 <sub>6</sub> -1g c.pm 15-5 c.pm 1-3 ore dis 5:-21 pt pm 50-100 c. dis 50-100 c. dis 1-5 lire dis	1.75 1.87 2.05 -2.33 8.85 -9.54 -5.51 -1.43	9.42-0.52c.pm 1.05-0.90c.pm 151-2-2-2-2-2-2-2-2-2-2-2-2-2-2-2-2-2-2-	-8.48 7.06 -1.66
51-10.761 11-8.521 11-8.721 11-8.721 15-597 17-27.32	24 - 4 ore pm 24-14 c.pm 34-14 ore pm 4.40-4.00 v pm 17-7 gm pm 53-27s c.pm	2.46 3.44 12.72 5.28	41 21 ore pm 71 61 c. pm 8-6 orepm 12 10-11-70 op 45-35 gro pm 101-91 c. pm	1.28 3.29 3.21 12.0 5,86 12.3

#### THE DOLLAR SPOT AND FORWARD

Day's. Jan 4 spread	Ciose	One month	% p.a. Three mo	
Canadat 84.07-84.25 Nethind. 1.9965-2.03 Belgium 29.11-29.35 Benmark 5.1300-5.15 W. Ger. 1.8485-1.85 Portugal 46.60-46.95 Spain 70.35-70.53 Italy 835.38-37.1 Norway 5.0500-5.08 Franca 4.2250-4.26	29, 11-29, 14 25, 11-29, 14 25, 5, 1300-5, 1325 26, 1300-5, 1325 26, 140, 26, 26, 26, 26, 26, 26, 26, 26, 26, 26	5-34-c pm 5-1.00-1.50credis 1.27-2.22pt pm 30-40c dis 18-33c dis 1.70-2.20tiredis 0.50-0.10cre pn 0.70-0.45c pm 1.40-1.20cre pn 2.00-1.85y pm	-8.99 70-140c -4.62 110-140c -2.15 47-5-7-5 1.14 0.90-0-5- 1.16 2.80-2.50 1.307 3.60-3.40 -11.35 5.65-5.50	6 pm 2.41 pm 2.46 pm 2.46 pm 3.07 ppf pm 8.21 pf pm 8.21 pf pm 9.99 dis -7.02 diredis -2.24 bre pm 0.82 c pm 2.39 bre pm 2.39 bre pm 2.70 pr pm 2.71

† U.S. cents per Canadian \$.

an. 3 Drawing Unit of Rights Account.  tearling 0.642595 0.676273 Sterling 63.68 -40.5  I.S. doller 1.29738 1.36188 U.S. doller 83.68 -40.5  anadian doller 1.54609 1.62200 Cenadian doller 79.02 -18.4  ustrian schilling 17.4530 18.3814 Austrian schilling 146.64 +39.1  delgian franc 37.6889 39.5578 Belgian franc 114.70 +15.6  siniah krone 6.61664 6.97996 Danish krone 118.66 +7.3  eutsche Mark 2.38251 2.51266 Deutsche Mark 149.08 +42.6  uillder 2.57854 2.71150 Swies franc 196.64 2.189.5						-7
an. 3 Drawing Unit of Rights Account.  tearling 0.642595 0.676273 Sterling 63.68 -40.5  I.S. doller 1.29738 1.36188 U.S. doller 83.68 -40.5  anadian doller 1.54609 1.62200 Cenadian doller 79.02 -18.4  ustrian schilling 17.4530 18.3814 Austrian schilling 146.64 +39.1  delgian franc 37.6889 39.5578 Belgian franc 114.70 +15.6  siniah krone 6.61664 6.97996 Danish krone 118.66 +7.3  eutsche Mark 2.38251 2.51266 Deutsche Mark 149.08 +42.6  uillder 2.57854 2.71150 Swies franc 196.64 2.189.5	CURRENCY	RATE	S	CURRENCY	MOVE	<b>MENTS</b>
1.5. doller 1.29738 1.36138 U.S. doller 1.5. doller 1.		Drawing	- Unit of	January 4	England	
ire	S. döller ustrian schilling elgien franc anish krone eutsche Mark uilder ench franc re	1.29738 1.54609 17.4530 37.6889 6.61664 2.38251 2.57854 5.47170 1080.72	1.36188 1.62200 18.3814 39.6578 6.97996 2.51266 2.71150 5.75188 1134.44	U.S. doller Canadian dollar Austrian schilling Belgian franc Danish krone Deutscha Mark Swiss franc Guilder Etanch franc	83.65 79.02 146.64 114.70 118.66 149.08 196.64 124.83 99.67 54.19	-40.5 - 9.1 - 18.4 + 13.6 + 7.3 + 42.6 + 20.3 - 5.7 - 48.7 - 48.7

Jan. 4	£	<b>s</b> .		P. Note i
Argentina Peso Australia Dollar	2.009-2.049 1.7605-1.7675		Austria	265 <sub>4</sub> -1 591 <sub>4</sub>
Brazil Cruzelro Finland Markka	41.46-42.46 7.98-8.00	20.56-21.06 3.9530-3.9550	Denmark	8.48
Greek Drachma Hong Kong Dollar Iran Rial	71.872-73.628 9.6100-9.6400 152:17-160.29	4,7750-4.7800	Germany Italy Japan	1,650-1 397-
Kuwait Dinar (KD Luxembourg Frc.	0.440-0.540 58.55-58.65	29,10-29.15	Netherlands Norway	
Malaysia Dollar New Zealand Dir. Saudi Arab. Riyal	4.4625-4.4825 1.8935-1.9015 6.60-6.70	0.9398-0.9429 3.2730-3,3286		1441 <sub>2</sub> - 3.30
Singapore Dollar.	4.3810-4.4010	2.1730-2.1760	United States	2.0175.4 41.4

#### **EXCHANGE CROSS RATES**

Jan. 4	PoundStarling	U.S. Dollar	Deutschem'	k Japan'se Yen	FrenchFranc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Beigian Franc
Pound Sterling	0.496	2.017	5.728	396.0	8.520	3.323	4.020	1680.	2.395	56.60
U.S. Dollar		1.	1,848	196.4	4.225	1.648	1.994	833.1	1.188	29.06
Deutsche mark	0.268	0.541	9,413	106.2	2.286	0 891	1.078	450.7	0.643	15.72
Japanese Yen 1 000	2.525	5 092		1000	21.52	8.590	10 15	4242.	6.048	148.0
French Franc 10	1.174	2.367	4.375	464.5	10.	3.900	4.718	1972.	9.811	68.78
Swiss Franc	0.501	0.607	1.122	.119.2	2.564	1.	1.210	505.6	0.721 5	17.64
Dutch Gullder	0.249	0.502	0.927	98.51	2·119	0.826	1.	417.9	0.596	14 5B
Italian Lira 1,000	0.595	1.200	2.219	235.7	6 071	1.978	2 793	1000 <u>.</u>	1.426	34.88
Canadian Dollar	0.418 1.706	0.842 5.441	1,556 6,361	165.3 675.8	5.557 14.54	1 387 5.670	1 678 6.860	701.5 2867.	4.087	24,47, 100.

#### **EURO-CURRENCY INTEREST RATES**

Jan. 4	Sterling	U,S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian 8	Japanese Ye
†Short term	1156-1176 121g-121g 125g-127g 131g-131g	105g-107g 103g-11 11-1114 1154-12 1114-111g 12-1214	712-812 712-812 101-101-1 1054-1118 1078-1114 104-1118	1012-1034 1012-1034 956-978 914-912 878-918 888-888		212-254 212-254 313-515 353-314 375-375	9-14 11-14 91 <sub>2</sub> -93 <sub>4</sub> 93 <sub>8</sub> -95 <sub>8</sub> 93 <sub>8</sub> -95 <sub>8</sub> 101 <sub>8</sub> -103 <sub>8</sub>	9-19 12-14 131 <sub>2</sub> -141 <sub>2</sub> 14-15 131 <sub>4</sub> -141 <sub>4</sub> 151 <sub>4</sub> -161 <sub>4</sub>	10/2-10/3 11/3-11/6 11/3-12 12/3-12/2 12/3-12/3	-11g-7g -11g-7d -11g-7d -11g-7d -11g-7d -11g-7d -11g-7d -11g-7d

following nominal rates were quoted for London dollar certificates of deposit: one month 10.85-10.95 per cent: three months 11.35-11.45 per cent: 11.80-11.90 per cent: one year 11.60-11.70 per cent.
-term Eurodollar deposits: two years 10%-11% per cent; three years 10%-10% per cent: four years 10%-10% per cent: five years 10%-10% per cent; three years 10%-10% per cent four years 10%-10% per cent; five years 10%-10% per cent; dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are

very large. Discount houses were was also a small surplus of paying 11 per cent for secured Treasury bills maturing outside call loans at the start and closing official hands.

#### INTERNATIONAL MONEY MARKET

### Canadian bank rate 11½%

rates have risen considerably. The per cent compared with 3.45-3.55 latest increase put pressure on bank prime rates and the Royal Bank of Canada set the ball rolling by lifting its prime to a record 12 per cent from 11; per cent previously. Non checking savings accounts were also given a higher rate of interest at 9; per cent month money was quoted at 3.75-3.85 per cent against 9 per cent. Twelvement against 9 per cent.

last increase took place in FRANKFURT — Interbank 61-61 per cent from 61-61 per November to 101 per cent from money rates were generally cent and 61-61 per cent 101 per cent use easier with call money at 3.3.3.4 BRUSSELS—Deposit rates for

Very large assistance

**UK MONEY MARKET** 

Bank of England Minimum

Lending Rate 121 per cent

(since November 9, 1978)

Day-to-day credit was in short

supply in the London money market yesterday and the authorities gave assistance by buying a very large amount of

Treasury bills and a small num-

ber of corporation bills, both direct from the discount houses.

balances were taken at 10-10} per

cent. The market was faced with a very large excess of revenu

transfers to the Exchequer over

Government disbursements. On the other hand banks

brought forward balances a moderate way above target and

there was a fairly large decrease

the Belgian franc (commercial) were quoted at 91-91 per cent for one month and 91-91 per cent for three-month. Six-month deposits stood at 81-9 per cent with the one year rate at 81-81 per cent. AMSTERDAM - Interbank rates were rather mixed with call money unchanged at 101-11 per

cent against 9 per cent. month money stood at 4,154.25 cent and one-month money at NEW YORK—13-week Treasury per cent, unchanged from pre- 101-101 per cent, up from 101-101 bills were quoted at 9.30 per cent, viously. In line with market per cent on Wednesday.

Rates in the table below are

nominal in some cases.

GOLD

### Firmer trend

Gold rose \$6; to \$225; 226; following a favourable reaction to the result of the latest IMF gold auction. It opened at \$220; \$221; and was fixed at \$222; in thin morning trading. At the afternoon fixing the metal rose. afternoon fixing the metal rose to \$223.15, and continued to advance on buying interest in

New York. In Paris the 12; kilo gold bar was fixed at FFr 30,150 per kilo (\$221.01 per ounce) in the after-noon, compared with FFr 30,490 (\$223.53) in the morning and FFr 30,200 (\$222.72) Wednesday

per cent on Wednesday.		Jan. 4	Jan. 3
	Gold Bullion(a fine		
	Close	G00E1-000	S219-2193
		\$2204-2214	82211-222
	Morning fixing		8722.10
		(£116.512)	(£105.925)
	Afternoon fixing		821B.B0
	San inn mannen mantin Marie	(£110.862)	(£108.821)
	Gold Coins.	An I concest	feet and a
	domestically		) <u></u>
· ·	Krugerrand	ESSEL TERL	3232 i 2541
was also a small surplus of		Œ1174-1184)	
West and a small surplus of	New Sovereigns		S64-66
TICKERT SILES THE CHILDE OF CRICE	porcioiBitair.	(£611-821)	
official hands.		886-65	362 - 641
In the interhent			(£3 (-82)
in the interbank market over-	A - 1 - A - 1 - 1 - 1 - 1 - 1 - 1 - 1 -		
night loans opened at 101-11 per		S 1	
cent and rose to 11-11; per cent	Krugerrand	5250-272	22251-228J
before coming back to 101-101		(£114-115)	(£N21 1161
perote country pack to Tol-Tol-	New Sovereigns		8581-801
per cent. Rates then fluctuated.		(£28-80)	(229-69)
between 11 per cent and 93 per	Old Sovereigns		\$821-641
cent before closing at 10-10; per	T	(02511-521)	(231-52)
cent	\$20 Eagles	\$294-289	\$293-297

In Frankfurt the 124 kilo bar was fixed at DM 13,285 per kilo (\$223.06 per ounce) in the afternoon, compared with DM 13,135 (\$232.40) previously

### MONEY RATES

W YORK		
me Rates.		11.75
Funds		10.125
SEALLY CHIE	(13-week)	9.30 -
seum Bill-	72E	0.00
dam's citie	(25-week)	9.40
RMANY.		
count Rate		49
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emiant		2.75
		0.000
s month		3,329
an months		3.725
. months		. 3.8 i
ANCE		
		9.5
count Rate.		
malght		6.75
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. 'Cl'1	onal)	# TE . 1
	WING! I don't all a l	

#### Total assistance was termed as in the note circulation. There LONDON MONEY RATES

Jan. 4 1979	Sterling Certificate on deposit	Interbank		Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury	Eligible Bank Bills o	Fine Frade Bills 4
Overnight?  days notice  days or  days notice  one months  Two months  hree months  six months  one year  One year	11:1:11/2 12:3:12:3: 12:4:12:3: 12:5:12:2: 12:5:12:4	11/8 12/8 12/4-12/9 12/9-1259	1112-113g 1158-117g 117g-12 	121g-125g 124g-125g 124g-125g 12-121g 12-125g 12-125g 12-125g	_	114-11 <sub>2</sub> 1184-1178 12 <sub>75</sub> 1276-13	1	- - - 114 118 1184-1143	117g 127g-122g 127g-123g 127g-123g	121 <sub>2</sub> 125 <sub>9</sub> 125 <sub>4</sub> 13

124, per cent.
Finance House Base Rates (published by the Finance Houses Association) 121, per Finance House Base Rates (published by the Finance Houses Association) 121, per Finance House Base Rates (published by the Finance Houses Association) 121, per Finance Houses Association) 122, per Finance Houses Association (Page 1998) 122, per Finance Houses Association (Page 1998) 123, per Finance House (Page 1998) 123, per Finance (Page 199

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#### NOTICE OF REDEMPTION

#### To Holders of

# International Standard Electric Corporation 81/2% Sinking Fund Debentures, Due 1986

NOTICE IS HEREBY GIVEN, that pursuant to Section 3.02 of the Indenture dated as of February 1, 1971 between International Standard Electric Corporation and Bank of America National Trust and Savings Association, Trustee, (the "Indenture"), \$4,500,000 principal amount of International Standard Electric Corporation 8¼% Sinking Fund Debentures due 1986 (the "Debentures") have been called for redemption on February 1, 1979 (the "Redemption Date") through the operation of the Sinking Fund at 100% of the principal amount thereof, together with interest thereon at the rate of 8¼% per amount to the Redemption Date. Pursuant to section 3.03 of the Indenture, the Trustee has selected for redemption on February 1, 1979 the following Debentures, to wit:

On February 1, 1979 the Debentures designated above will become due and payable and are required to be presented and surrendered for redemption and payment on or after said date at any of the following places of payment:

CITIBANK, N.A. 111 Wall Street New York, N.Y. U.S.A. Algemene Bank Nederland N.V. Amsterdam, Netherlands Gredito Italiano Milan, Ilaly Banque de Bruxelles S.A. Brussels, Boloinm Banque Generale du Luxembourg S. A., Luxembourg Deutsche Bank Aktiengeselfschaft Frankfurt/Maio Federal Hepublic of Germany Bank of America National Trust and Savings Association, Lendon, England Banque Nationale de Paris S.A. Paris, France

The Debentures must be accompanied by all interest coupons appertaining thereto maturing after February 1, 1979. Interest on the Debentures so called for redemption shall cease to accrue from and after February 1, 1979, and the interest coupons appertaining thereto maturing after said date shall be void.

International Standard Electric Corporation
by Bank of America National Trust and Savings Association, Trustee

Dated December 29, 1976

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#### FINANCIALTIMES

Bracken House, 10 Cannon Street, EC4P 4BY

#### BASE LENDING RATES

A.B.N. Bank 121%	➡ Hambros Bank 1219
Allied Irish Banks Ltd. 124%	■ Hill Samuel
Amro Bank	C. Hoare & Co†124%
American Express Bk. 121%	Julian S. Hodge 1319
A P Bank Ltd 125%	Hongkong & Shanghai 1219
Henry Ansbacher 121%	Industrial Bk. of Sect. 1249
Associates Cap. Corp 124%	Keyser Ullmann 1210
Banco de Bilbao 124%	Knowsley & Co. Ltd 1419
Bank of Credit & Croce. 124%	Lloyds Bank 1239
Bank of Cyprus 121%	London Mercantile 1219
Bank of N.S.W 121%	MANAGE MATERT & IN 1344
Banque Belge Ltd 121%	Midland Bank 1219
Banque du Rhone et de	Midland Bank
Banque du Rhone et de la Tamise S.A 13 %	Morgan Grenfell 1219
Barelays Bank 124%	National Westminster 1219
Barnett Christie Ltd 131%	Norwich General Trust 1219
Bremar Holdings Ltd. 131%	P. S. Reison & Co 1219
Brit. Bank of Mid. East 121%	Rossminster 1219
Brown Shipley 124%	Royal Bk. Canada Trust 123
Canada Perm't Trust 121%	Schlesinger Limited 1219
Cayzer Ltd 121%	E. S. Schwab 1349
Cedar Holdings 121%	Security Trust Co. Ltd. 1319
Charterbouse Japhet 121%	Shenley Trust 14 9
Choulartons 121%	Standard Chartered 1219
C. E. Coates 121%	Trade Dev. Bank 1210 Trustee Savings Bank 1219
Consolidated Credits 124%	Trustee Savings Bank 1219
Co-operative Bank*121%	Twentieth Century Bk. 1319
Corinthian Securities 121%	United Bank of Kuwait 1249
Credit Lyonnais 121%	Whiteaway Laidlaw 13 9 Williams & Glyn's 1210
Duncan Lawrie 121%	Williams & Glyn's 1249
The Cyprus Popular Bk. 1245.	Yarkshire Bank 1219
Eagil Trust 121%	Members of the Accepting House
English Transcont 121%	Committee.
First Nat. Fin. Corp 14 %	<ul> <li>7-day deposits 10%, 1-mont</li> </ul>
First Nat. Secs. Ltd 14 % Antony Gibbs 121% Greyhound Guaranty 121%	deposits 10%%.
Antony Gibbs 124%	† 7-day deposits on sums of £10.00 and under 10%, up to £25.00
Greyhound Guaranty 121%	10 2% and over £25,000 10 2%.
Grindlays Bank 121%	‡ Call deposits over £1,000 10%.
Cuinness Mehen 1916	5 Demand deposits 10%

### EUROPEAN OPTIONS EXCHANGE

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ABN ABN AKZ AKZ AKZ AKZ AKZ BK CSF EK EK GOB HO	F.380 F.390 F.250 F.350 F.35.50 F.35.50 F.700 F.380 F.400 \$60 \$70 F.150 F.150 F.35.50	333 300	1.80 5 0.80 0.20 		7.80 4.50 2.60 1.70 1 - - - 17 <sub>8</sub> 9.40 6	3 112 12 355 1 2 2 5 10	5.20 4.30 4.00 40.60 29.60 7.90	F.372 F.30,20 F.75,30 F.389 \$68" F.147.50	
HO	F.37.50 F.40		: <u>-</u> :	( <u>9</u>	1.40		! "-	1 ::	
Ю	F.45	_	j	20	0.50	i	l –	1	
1BM	\$2801	3	2612	: -	( <del>-</del> :	-	: -	\$3053.	
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KLM	F.150	· <u>-</u>		j <del></del>	; <u>-</u>	5	2,70		
KLM	F.170	_	i	i —	:	1	0,90	F.109.30	
'NN	F.108.90	<b>Z2</b>	. 2	: -	; - !		J	F.109.50	
PHI	F.22.50	_	: -		: -	10	4,10	F.24.90	
PHI	F.25	20	0.50	50	1.70	12	2.20		
PHI	F.27.50	85	0,10	20	0.70	13 25	1,40		
PHI PRD	F.30 S50	5	414	20	0.40	25	0.00	\$5334	
PSA	F.560			10	9,20	15	17.80	F,470,50	
RD	F.130	_	! <b>-</b> :	В	2,20	100	3,60	F.121,90	
UN)	F.120	1	3,50	i	_ :	_	: –	F,121.80	
ÜNi	F.130¦	_	-	5	(2)	-	: -	) po	
		Fei		Ma	ay .				
BA	\$80,	1 ,	27 <sub>8</sub>		1	_	: <b>–</b>	Į \$73	
TOTAL VOLUME IN CONTRACTS 847									

### FOOD PRICE MOVEMENTS

January 4 Week ago Month ago

ı	,	£	£	٤.	
	BACON				
	Danish A.1 per ton	1,140	1,140	1,140	:
	British A.1 per ton	1,110	1,110	1,110	
ŀ	Irish Special per ton .	1.110	1,110	1,110	
ı	. Ulster A.1 per ton	1,110	1,110	1,110	
ı	BUTTER				
I	NZ per 20 kg	13,40/13.53		12.61/12.74	
ı	English per cwt7	81.11/81.65		76.00/81.11	
1	Danish salted per cwt†	80.98/83.49	80.98/83.72	80.90/83.49	
	CHEESE				
	NZ per tonne	1,250	_	1,225	
	English cheddar trade			•	
ï	per tonne	_	<del></del> .		
	EGGS*				
ı	Home produced:				
1	Size 4		3.00/3.20	3.20/3.50	
Į	Size 2		3.90/4.00	4.20/4.40	
ı	<b>5.25 2 3.1111111</b>			-	
ł		January 4	Week ago	Month ago	
ı		p	D	p	
ı	BEEF	•	•	-	
1	Scottish killed sides				
ı	ex-KKCF	~		36.0/38.0	
1	Eire forequarters			36.0/38.0	•
١	LAMB			<u>-</u>	
ı		RC 0 /C1 0		50,0/54.0	•
ì	English			טיבה לחיחף	
1	NZ PLs/PMs	-		_	
ı	PORK (all weights)	36.0/46.0	~	35.0/46.0	
ı	POULTRY	•			
1		Ba a 100 0	00 0 /00 0	05 h /90 h	
,	HTONAY ANIADAA	38 073X U	33 0738 0	AR 11/AR (1	
۱	Broiler chickens	36.0/38.0	33.0/38.0	35.0/38.0	

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD.
45 Cornhill. London EC3V 3PB. Tel: 01-623 6314.

London Egg Exchange price per 120 eggs. † Delivered.

# Unavailable. I For delivery January 6-13.

Income Fixed Interest Portfolio

CLIVE INVESTMENTS LIMITED

1 Royal Exchange Ave., London EC3V 3LU. Tel.: 01-283 1101.
Index Guide as at December 19, 1978 (Base 100 on 14.1.77)

129.92

Clive Fixed Interest Income .....

# Wall St. ahead over nine points at noon

INVESTMENT DOLLAR PREMIUM \$2.60 to £1—83[% (83]%)

Effective \$2.0165 42195 (43%) STOCKS EXTENDED the gains of the first two days of the year. moving broadly higher on moderate volume. The market's greatest strength lay in its own performance in the face of concerns about Iran, rising interest rates and persistent inflation.

Traders who had earner decided to wait for interest rates to peak or for the start of

Closing prices and market reports were not available for this edition.

n expected ecession before buying, were beginning to worry about the possibility of missing an upward movement

The Dow Jones Industrial Index added 9.27 to 826.66 and winners led losers by more than three to one in a volume of 12m shares. The Transport Index shares. The Transport Index rose 2.29 to 216.84 and Stocks

put on 2.83 to 281.16.

The steady tone of the dollar and hints that the situation in tran may be improving slowly Press reports. Resorts Inter-helped sentiment. Yet brokers national "A" gained \$1 to \$32 noted that the market frequently and Systex \$ 10 \$35\$. pulls back late on Thursdays, ahead of the weekly banking

National Can topped the active list rising 1 to \$20. A block of gain moderately in active noon

Jan. 3

34 39<sup>1</sup>2 34<sup>3</sup>4 46<sup>1</sup>2 15<sup>1</sup>8 29<sup>3</sup>8 30 47<sup>3</sup>4 27<sup>1</sup>4

B.Pet A Drit R. ...

Carnation....

Carter Hawley ..! Caterpiliar Tract

184

155 29 22

**NEW YORK** 

210,000 shares traded at \$20. Exxon, in second place, added 50 cents to \$501. Also among the actives, Deere and Co. climbed S11 to \$37% and Xerox S11 to

SCM Corp. gained 1 to \$181. It agreed to sell one of its plain paper copier lines to Minnesota Mining and Manufacturing for an undisclosed amount that will result in a gain of 23 cents a share in its fiscal second quarter. Three-M picked up 1 to \$641.

Ford Motor added ? to \$433. The company said it would raise car prices an average 1.7 per cent from tomorrow. General Motors rose } to \$551.

Retail issues were mixed. They generally reported higher shares against 2,108,541 on December sales. Avon Products climbed ( to \$531), after estimating 1978 sales had risen to more continued advanced in fairly

American Stock Exchange prices rose sharply in moderately active trading. The Amex Index gained 1.31 to 155,50 on a volume of 1.75m shares.

Volume leader National Patent Development rose \$1 to \$7\frac{1}{2}. It was the subject of favourable

Corning Glass.... GPC Int'rn'tional

Cummins Engine 3418 | 34 Curtiss Wright.... 1314 | 1278

Franklin Mint..... 554
Freepost Minera... 32
Frauhauf ........... 2614
Fuqua Inda....... 918

G.A.T.X...... Gen. Cable....

General Motors... Gen. Pub Util .....

Georgia Pacific...

Hewlett Packard 913a Holiday Inns..... 181g Homestake ...... 305a Honeywell..... 7214

Hoover Hosp-Corp. Amer Houston Nat.Gas Hunt (Ph.A) Chmi Hutton (E.F.) I.C. Industries ....

12 | 11;3 40;4 | 40;4 28;4 | 38 10;5 | 11;5 | 11;5

Crocker Nati .

John Manville..... Johnson Johnson Johnson Control. Joy Manufacturg

K. Mar Corp .... Kalser Alumini'm, Kalser Industries Kalser Steel .....

Niagara Monawki Niagara Share.... N. L. Industries... Norfolk & West'n North Nat. Gas... Nthn. States Pwr. Nthwest Airliner Nthw'st Bancorp Norton Simon.

Norton Simon..... Occident'i Petrol

Louisiana Land ... 2273 Louisiana Land ... 2273 Lubrizo ... 4534 Lucky Stores ... 151s Lykes Corpn ... 834 MacMillan ... 1014

Lykes Corpn ..... MacMillan ...... Macy R.H ....

124. The rescurce-related issues remained strong, with the Golds Index 10.2 higher at 1437.7 and the Oil and Gas Index up 16.7 at 1897.6. The Metals and Mining Index advanced by 5.3 to 1141.2. ...Inco rose \(\frac{1}{2}\) to \$20. Imperial Oil "A" \(\frac{2}{2}\) to \$1\(\frac{1}{2}\) to \$97\(\frac{1}{2}\) and Hudson's Bay Oil \(\frac{1}{2}\) to \$55\(\frac{7}{2}\).

Brascan "A" again was the most active Industrial, up ; to \$20 on 232,283 shares. Macmilian Bloedel advanced 1 to \$25. Among Golds, Camilo Mines rose 50 cents to \$132 and Pamour "A" { to \$6{.

Noon volume totalled 2,552,887

active trading. The industrial index rose 24 points while the Paper and Composite indices were up more than one point each. Mining and Oil stocks were the most active, with Shell Canada up 1 to \$17.

Share prices ended the first sesssion of the new year higher in active trading with investors anticipating a further rise. The

Sea Container. ... 21 8 21 Seagram. .... 284 281 Searie (G.D. ... 1278 13 Searis Rosbuck 2014 20 SEDCO .... 3112 30

Southern Kallwy 774
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Sperry Rand 453
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Syntex 35
Technicolor 1078
Telktronix 498
Teledyne 101

Tran. America.... Transco..... Transco.....

ran-way intrn... Fran World Air....

Fraveers...... 34%

Triton Oil & Gas. 54 TRW ......... 57 20th GenturyFox 3273

245; 191<sub>2</sub> 175; 161<sub>9</sub> 257<sub>8</sub>

Oil up 28 yen to Y646, Teikoku Oil 27 up at Y407, Nippon Kokan and Hitachi both up Y2 and Mitsubishi Metal Y10 higher at

Export-orientated Electricals and Vehicles closed lower after a firm start. Fisheries, Pharmaceuticals, and Cameras closed lower on profit-taking.

#### Germany

Share prices fell across the board prompted by labour con-flict in the steel industry. The Frankfurt bourse index lost 4.3

Manuesmann fell by DM 3.30, while BMW weakened by DM 4.30. Man and Babcock softened by DM 4 and DM 5 respectively. Major Banks suffered loses up to DM 3.50, while Chemicals also mostly lost

Share maintained a steady tone in eal mtrading, with the index firmer. The tendency was due to institutional interest as well Canadian markets continued to
San moderately in active noon

Session of the new year higher in active trading with investors anticipating a further rise. The Barre's declaration that Prime Minister Raymond anticipating a further rise. The Barre's declaration that Prime Minister Raymond anticipating a further rise. The Barre's declaration that Prime Minister Raymond in 1979 and 1980 was likely to be at an annual 4 per cent rate. Constructions, Stores

CANADA

Bank NovaScotta 241, Basic Resources 4.85 Bell Telephone 654 Bow Valley Ind... 22

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Coseka Resputce

Genstar...... GiantYell wknife. GulfOilof Canada

Inda Mat. Gas...
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Ranger Oil. ... 17

Rio Algom ...... Royal Bk. of Can. Royal Trustco... Sceptre Res urce

aon Devel

trading. The Toronton Com- led the market on persistent buy; and Electricals showed most Italo-Sulsse. Insurances edged posite Index rose 44 points and ing by various investors. gains with other sectors steady. higher.

Carrefour was little changed Industrials to rise included Nippon despite announcing higher sales in 1978. L'Oreal put on FFr 19 to FFr 733 and Bouygues gained FFr 33 to FFr 933. In the foreign sector, U.S. shares ruled firm, but Germans were mixed

while Dutch and Canadians eased.

#### Australia

There was reasonable support for Mining shares but leading Industrials fell and Oils, which led Wednesday's market rise. traded indifferently. BRP shed 18 cents to AS9.14, while Beach dropped two cents, AOG cased one cent and Bridge added two Speculative diamond shares fell, except for Magnet which added two to 37 cents. CRA lost 13 cents. Northern Mining 10 cents and Ashton two.

Uraniums continued well sup-ported with EZ Industries adding 10 cents, Queensland Mines five cents and Peko two cents. Other mining leaders fared well too, with Western Mining adding two cents, MIM six cents and Hamersley five cents. Retailers were also firmer and Breweries were

#### Amsterdam

Shares closed mixed with a firmer bias following the advance on Wall Street. Royal Dutch firmed Fl 0.90 Akzo and Unilever edged higher, while Hoogovens and Philips were slightly lower in Dutch Internationals. Hya rose Fl 4. Middenstandsbank two, Amfas Fl 1.80 and Ennial and OCE-Van der Grinten one guilder each. Lower shares included Nationale Nederlanden, Van Ommeren, KLM and Deli.

Belgian share prices were mixed in moderate trading. Sofina Union Miniere, Cockerill and Mosane rose, while Vieille Montagne, Hoboken, Solvay, UCB and Tessenderloo fell. Petrofina and Canadian Petrofina rose but American Petrofina fell.

#### Switzerland

GERMANY +

M.A.N...

**AMSTERDAM** 

OGEM (FI.10),...

COPENHAGEN \*

For Papir .....
Handelsbank . ...
G Nthn H (Kr90)
Nord Kabel ......
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Oltefabrik ....... Privatbank .... Provinsbank .... Soph Berensen

YIENNA

Creditanstalt.

140 1231<sub>4</sub> 1301<sub>9</sub> 1323<sub>4</sub> 324 751<sub>7</sub> 125 287

Div. Yid

10 2.9 -1 9. 3.3 +1 38 8.4 -1 8. 4.0 +5 10 4.1

Zurich prices closed off the best levels following profit-taking. Banks showed widespread gains in a reversal of recent rather dull trading conditions, led by Union Bank, Bank Corporation and Credit Suisse. Financials continued higher on good demand Presse-Finanz, Holderbank and

288 -4 | 18.78; 4.1 178.5 -3.3 :17.18; 4.8 252.5 -2.5 | 15.83 | 3.1 700 | -10 | 28.12; 2.0 150.5 -2.5 | -1 | -1 164.8 -0.2 | 25 | 6.8 260 -1.5 | 128.19; 5.4

BBC, Sulzer and Alusuisse in Engineerings and Metals. In Chemicals, actively traded CIBA Geigy and Sandoz advanced. Nestle Bearer, in Foods, lost part of its opening gain. Elsewhere, Fisher fell on profit-taking after recent strength. Grand Passage firmed sharply among Stores. In Transports, Swissair was again

#### Milan

Prices showed selective gains in low volume with some institu tional buying aiding sentiment. Montedison and Snia Viscosa moved slightly higher in Chemicals, but ANIC eased. Fiat, Assicurazioni Generali, both Olivettis and Pirelli Spa all rose. Italcementi gained L400

#### Hong Kong

The market closed firmed in continued quiet trading, with the Hang Seng index up 10.70 points at 507.19. Hong Kong Bank rose 40 cents to HK\$17.90, Hong Kong 40 cents to HK\$17.00, Bong Rong Land 10 to HK\$7.70, Hutchison Whampoa 7.5 to HK\$4.05, Jardine Matheson 20 to HK\$11.90, and Wheelock Marden 10 to HK\$2.65.

#### Copenhagen

The market closed generally lower in fair dealings. Banks and Insurance fell as did Commodities and Shipping. Industrials and Communications finished mixed as did Bonds.

#### Vienna

The market was mixed with losses outnumbering gains two to one.

NOTES: Overseas prices shown below exclude. S premium. Belgian dividends are after withholding tax.

DM 50 denom, unless otherwise tax. 500 denom, unless otherwise Holland (55) 81.9 81.3 stated.

DKr 100 denom, unless otherwise Hong Kong 507.19 496.49 707.70 385.4 (4/9) 124.1 (11/8) 61.21 68.71 (25.96 (10/1)) 124.1 (4/10) A DKr 100 denom, unless otherwise stated.

9 SwFr 500 denom, and Bearer shares unless otherwise stated. 9 Y50 denom, unless otherwise stated. 9 Y50 denom unless otherwise stated. 9 Y50 denom unless otherwise stated. 9 Yfce at time of suspension. a Florins. b Schillings. c Cents. d Dividend elter pending rights and/or scrip Issue. c Per share. 1 Francs. g Gross div. %. h Assumed dividend after scrip and/or rights Issue. k After local taxes. m% tax free. # Francs including Unitsc div. 9 Nom. g Share split. 5 Div. and yield exclude special payment. 1 Indicated div. 4 Unofficial trading. v Minority holders only. 9 Merger pending. Asked. 7 Bid. § Traded. ‡ Seller. z Assumed. xr Ex scrip issue. xe Ex all. A Interim since increased.

+1 +5 -10 +2 +2 +10 -2 +10

+20 +8

144 +2 518 +11 1,090 -10 332 -10 186 +1 154 -2 882 +1

-15

+5 +20 +10 +5 +8 +40 +10

+20 +5 +55 +14 +10 +2 +11 +75 +40 +25

150 5.4 150 6.9

PARIS

Jacques Borel ...

**BRUSSELS/LUXEMBOURG** 

SWITZERLAND 4

MILAN

Do. Priv.

NEW YORK -DOW JONES

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elndostriale	B17.59						907.74	742.12 (22/2)	1051.70 (11/1/13)	41.22
H'me B'mis.			) :		64.68		80.85 (4'1)	84 35 (311/73) .	-	_
Transport	214,55	210,17	206,58	208.95	206.76	211.19	281.48 (8/9)	199.61 (1)(2)	279.88 (7)2 <del>/6</del> 2)	12.23 (8/7/32)
Titlities	100,57	55,19	98,24	98,14	98,06	98,371	710.98 (3/1)	97.75 (20/32)	185.62 (204,69)	16.58 (28/4/42)
Indiag tol. 000'st	29,780	18,680	20 C20	25,448	23,580	21,470		-:	>	-
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4 Day's high 822,68 low 6 11.42

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Indostrials	109.08	107,91	197-21	107.41	107.85	28,80T	118.71 (12/9)	95.52 (6 <u>G</u> )	184.64	6.64 (20/8/33)
5Composite	97.8D	98,76	96.11	98,28	96,68	97.52	108.38 (12/9)	38.30	195.85 (11/1/63)	4.40
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Denmark(**	88.47	88.54		6.   88.0	16 s.	witzerl	<b>d</b> (/)	296.3	294.0	325.7 (14/2)	251.6 (26,9)
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Dec. 1953, 55 Amsterdam Industrial 1970, '11 Hang Seng Bank 31/1/66. ||| Banca Commerciale Italiana 1972. 4 Tokyo New SE 4/1/68. b Strain Times 1966, c Closed. d Madrid: SE 30/12/77. e Stockholm Industrial 1/1/58. J Swiss Bank Corporation. v Univali-able.

9.13

WEDNESDAY'S ACTIVE STOCKS

Indices and base dates (all base values 100 except NYSE All Common—50; Standards and Poors—10; and Toronto 300—1,000; the last named besed on 1975). † Excluding bonds. † 400 Industrials. § 400 Industrials, #0 Utilities, 40 Finance and 20 Transport. † Sydney All Ordinary. ¶ Beigian SE 31/12/63. \*\* Copenhagen SE 1/1/73. †† Pans Bourse 1961. ‡‡ Commerzbank

### Aust. S

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JOHANNESBURG

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STÒCKHOLM

# You don't have to be a banker to benefit from reading The Banker.

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### Peru copper strike postponed

LIMA-A Southern Peru Copper Corporation spokesman said workers at its Custone copper mine have postponed an indefinite strike for more pay, due to on the London futures market have started yesterday, reports vesterday as dealers reacted

Reuter.
Cuajone's 1,200 workers told mine officials their stoppage will begin on Tanhary 9 to coincide with the start of a three-day

general strike, he said.
Our Commodities Staff writes;
Copper prices moved up on the
London Metal Exchange yesterday following forecasts of a
hefty fall in warehouse stocks
this week. Also encouraged by (15.7) 53.55 (Mg. A) (15.7) 53.55 (Mg. A) (15.7) 53.55 (Mg. A) a rise in the New York coppe market cash wirebars closed £7.5 higher at £776.75 a tonne.

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In contrast cash tin lost ground on reports of fresh arrivals from Malaysia coming into Europe. Cash price for standard grade in closed £22.5 lower at £6.910 a tonne, while the three-months quotation was £5 up at £6,842.5 reducing the gap to £57.5 compared with more than £100 earlier in the

Lead prices were held steady by further rumours of Russian buying, and zinc gained ground on trade buying interest.

### Optimism on Brazil soya production

By Our Commodities Staff THE BRAZILIAN soya crop

seems to be progressing well, despite isolated problems with excess rain, sources at the Bank of Brazil's Foreign Trade Department (CACEX) said yesterday. For the time being the depart-

ment is standing by the Agriculture Ministry's latest estimate, putting the size of the new crop at between 13.5m and 13.95m

As the annual discussions on Brazilian soyabean marketing got under way in Rio de Janeiro, the sources said CACEX would like to leave the sale of the crop as free as possible from Government con-

How far this can be achieved, however, will depend on now the crop develops, they said, adding that part of the marketing policy can only be decided as the season progresses.

### Sharp rally in cocoa market

BY RICHARD MOONEY

COCOA PRICES rallied strongly against the recent sustained decime.

The May position, which registered a £40 permissible limit rise during the afternoon, ended the day £39.25 higher on balance at £1,981.5 à tonne.

The rise was encouraged by the announcement in Accra of a low Ghana main crop purchase figure. The Ghana Cocoa Marketing Board said purchases in the 13th week of the season (ending January 4) amounted to 5,544 tonnes, taking the cumulative total to 199,769

Some dealers pointed out, however, that the low figure was not surprising as the period covered was largely taken up with public holidays.

The market may also have been influenced by caution ahead of the major fourth quarter 1978 grinding figures xpected next week

to some other fundamental considerations, particularly recent promising indications of Brazi-lian temporao crop prospects group's members have now paid and the fact that affoat cocoa is their share.

currently readily available on the London market Dealers noted that the price rise was not matched by increased manufacturer offtake. Coffee prices also rose in London yesterday and the

-the highest level since the end of November. rise was mainly attributed to news that a cold wave had hit Mexican coffee growing areas this week. Mexico's coffee season starts in

October and the main harvest

March position ended the day £19.5 higher at £1,368.5 a tonne

begins in February. Bad weather in Europe is causing supply difficulties and it is feared the strikes by UK lorry drivers and Dutch bargemen will add to these. Late arrivals of steamers are causing further concern, In Latin America meanwhile.

Guatemala announced it had

contributed its \$10m share to a common fund for supporting coffee prices on world markets.
The so-called Bogota spected next week. The so-called "Bogota
But the advance runs counter Group" of producers claims to
some other fundamental consupport strategy. Guatemala's group's members have now paid

### Californian citrus crop hit by frost

LOS ANGELES - California State agricultural sources are still assessing the damage done to the citrus crop by the freeze last month. So far, it appears that citrus growers are the biggest losers. Their produc-tion is expected to be almost 20 per cent below predictions before the frost, reports AP-

worries. Florida growers were Florida's citrus crop, but an official of Florida Citrus Mutual said he is "concerned" about affected. Last year large drought losses baven't had any cold weather cent of U.S. oranges and 16 per caused partly by the invasion of the Shaba province. The latest forced the department to this year and the trees just In California, there was enforce a very cautious export aren't in any condition to with scattered damage to crops back ot normal, the spokesman policy to safeguard domestic stand severely cold tempera other than citrus, but most said.

Supplies, three was decision brings the situation back ot normal, the spokesman said.

Reuter

While growers waited futures prices of frozen orange juice rose the permissible 5 cents a pound daily limit on the New York market as traders scurried

In Texas, freezing weather on Tuesday night damaged much of say some growers believe they to the end of the following have lost half their crop, but month, a Sozacom spokesman maintaining a "freeze alert" have lost half their crop, but mont this week. Cold weather earlier the major concern is how much this week didn't: damage damage was done to the trees. The themselves and how badly crops in the next two years will be month when prices rocketed last Texas grows 6 per the latest forecast because "we cent of U.S. oranges and 16 per

Morning: Cash £455, 54.5, 54, three months £420, 20.5, 20, 21, 20.5, 20, Kerb: Three months £420.5. Afternoon: Cash £457, three months £420.5. Afternoon: £420.5. Kerb: Cash £456, three months £420.5, 21, 21.5.

ZINC—Moved shead following trade buying which took torwerd metal up from £350 on the pre-market to the day's high of £355.5 on the late kerb.—Turnover 5,700 tonnes.

a.m. †+or p.m. Official — Unofficial

\*Cents per pound. \$3M per pical. 1 On previous unofficial close, Morning: Cash E918.5, three months 2818. Afternoon: Cash £520, three months £616.5, 17. Kerb: Three months £616, 18.2

Silver was fixed 0.7p an ounce lower for spot delivery in the London bullion market yesterday at 296.3p. U.S. cent equivalents of the fixing levels were: Spot 598.2c, down 0.7c; three-month 511.80c, down 0.4c; six-month 624.7c, down 0.8c; and 12-month, 652.8c, down 0.3c. The metal opened at 296-297p (598-5997.c).

Bullion | or LAME | or close

618-5 -.75 618-9 -.75 618-5 -1.75 816.5-7.5 +.25

New nickel output rise planned

By John Edwards, Commodities Edito

IN A SURPRISE move, Falconbridge Nickel Mines announced yesterday it was planning to increase production by about 10 per cent at its Sudbury mines. Reuter reported from

Toronto that the company had told union employees it planned to recall 250 laid off employees during the first half of 1979, and as a result of the planned production increase the present five-day working week will be increased to seven-day working in the second half of the year.

Faiconbridge's move comes at a time when negotiations have just been resumed between international Nickel and workers at its Sudbury mines who have been on strike since September 15. Talks seeking a settlement started on Wednesday and are still continuing.

The strike by workers at Inco's main production unit has obviously reduced the massive surplus stocks held by the company. But there is by no means any shortage of nickel and if anything, conditions in the market are re-ported to have become slightly more competitive re-

Free market prices, which are normally a good indicator of market trends, moved down in the last month. Some trade sources were anticipating a possible cut in producer prices this month in view of demand failing to pick up significantly.

#### Zaire cobalt price move

BRUSSELS-The Zoire state metals marketing organisation. Sozacom, said it has extended to buy in case a freeze depleted to three months from two supplies: cobalt products.

New orders will now be the state's \$45m citrus crop and | guaranted at the price quoted at Dow Jones.

growers were preparing for the time an order is placed for Florida and Texas citrus more freezing weather. Texas the current month plus the two growers have more immediate Agriculture Department officials following ones, instead of just

> The price validity for cobalt orders was reduced to one year due to short supplies caused partly by the invasion of

EEC FARM SURPLUSES

## Price cuts not the remedy

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

truths of agricultural economics is that while high prices soon bring a corrective in extra production to bring prices down, system whereby producers only output in order to reduce their low prices do not reduce output in anything like the same pro-

As an example the potato shortages of 1975 and 1976 have been followed by two years of very low prices without any sign of decreasing output or reducing acreages.

A decade of static, or actually falling prices in the UK farming sector between 1955 and 1965 brought no fall in production, and in many sectors brought a definite increase in output. This must be qualified as far as pigs and poultry are concerned. In cases where the farmer buys all his feed, even quite short periods of loss-making can re-sult in producers going out of

But where the bulk of production comes from the farm as in the case of milk, beef, grain and sugar, it takes a long time to put a farmer out of business. Indeed a loss-making period can well be a stimulus for increasing efficiency. Over the period 1955-65, total

returns on wheat fell from £30 per ton to £25 per ton and for barley remained at around £26 per ton. Production of wheat rose slightly over the period and output of coarse grains, mainly barley, more than doubled. Milk returns to producers

actually fell in pence per gallon terms but output showed no signs of decline. In fact there

ginal, increase in production. increase production than reduce the many ways in which national This was despite the operation it. What it does is to stimulate measures are already irustrating of the standard quantity efficient producers to increase true competition. received about 90 per cent of unit costs. the guaranteed price.

British Government policy throughout the decade was to limit agricultural production by

creasing yields per cow or per only receive a world price acre, and by reducing labour. equivalent for the surplus while Over the period a third of the full-time male workers left, guaranteed price. There was a slight reduction in farmers and a number went out of dairying.
But, and this is an important

in yields per cow. This is ancient history now.

But it is very pertinent to the present moment, with the European Commission in Brussels looking at ways of cut-farming organisations have sug-ting back on milk production as gested quota systems on a a means of reducing the structural surplus of supplies which is costing about £80 for every cow in the Community.

levy which will result in a cut in guaranteed prices. This was brought in to a limited extent two years ago, but the impact of the 12 per cent levy, now removed, was hardly felt at all.

Farmers countered the policy scheme on farms. The idea was in two main ways. Both by in- that those over-producing should

National Farmers Union, on But, and this is an important the grounds that the industry could well become the point, although the number of was better off without such recipient. There is not much dairy cows was slightly reduced this was nullified by an increase this was nullified by an increase the such as a suc

the remainder received the

into the Community. Both the Germans and Dutch bers of the Community. quota systems on a such as putting levies on feeding national basis, possibly applying stuffs at present imported duty them to individual farms. This free, are akin to throwing the is not quite so disinterested as baby out with the bath water. it sounds as both countries have The real sufferers would be the The latest suggestion is a increased milk production sub-pig and poultry farmers.

price "freeze" on the guarantee stantially over recent years. The situation almost defeats level, with a co-responsibility British and Irish interests are the wit of man. It is worth insistent that quotas should not

ONE OF THE most interesting was a steady, although mar- levy may well serve more to stance the Commission ignores

It is a fact, though, that while the Commission is condemning During the period of the most quotas in public, many Brussels

severe restraint on prices in officials says quotas in the end Britain through the operation of are the only solution to the the standard quantity system, EEC's milk problem. restricting returns, but this there was a demand from the Meanwhile there have been policy failed to achieve its smaller farmers, and some of other suggestions. One is to sus-Meanwhile there have been the larger ones too, for a quota pend intervention buying, perhaps of skimmed milk, for a

perical so forcing manufacturers to seek out other markets. The effect of this would undoubtedly be a collapse in prices as manufacturers dumped their mar-This was turned down by the ginal production wherever they Milk Marketing Board and the could find an outlet.

Britain, being a deficit area phasising that standard ing out that the Briush computatives were used to limit board industry is in deep trouble because of the dumping of marting from fellow memginal supplies from fellow mem-

Other suggested remedies.

remembering that Dr. Mansholt, apply to them. the former EEC Agricultural Officially the Commission is Commissioner did have one against any form of national or answer when he suggested under individual quota on the grounds his plan that land, livestock and that it would tend to destroy farmers should all be taken out If British experience is any competition, and the spirit of the of production together. He was guide, and I believe it is, any Community. In this ostrich-like right. Where is he now?

Pakistan and

cotton talks

Hong Kong in

HONG KONG-Pakistan Com-

merce Minister, Zahid Sarfraz,

6 for discussions with the Hong Kong Cotton Spinners Associa-

yarn importers on Pakistan's

### Australian sugar production estimated

BRISBANE - Australia's 33 sugar mills crushed 21.46m tonnes of cane in the 1978 season (ended December 23) against 23.49m tonnes in 1977, the Australian Sugar Producers Association reported here yes-

Output was restricted under Agreement (ISA) obligations. low sugar content in the season, harvest in North Queensland. mainly due to wet weather in Queensland, will reduce output below the 2.94m tonnes quota. An Association spokesman said preliminary raw output figures

output totalled 3.34m tonnes.

Meanwhile an Australian Sugar Producers' Association official said flooding, heavy rains and high winds in the aftermath of tropical cyclone Australia's International Sugar Peter which hit the Cape York Peninsula last Sunday has Raw sugar output figures are flattened most of the sugar cane not yet available, but it appears stood over from the 1978

The rains and floods had affected 10 of Queensland's 30 mill areas, north of the Herbert River, he said.

The areas contain nearly 2m

These are expected to show of the 3.15m tonnes of cane total production of between stood over due to ISA export 2.8m and 2.83m tonnes. In 1977 limits.

> No detailed assessment of crop losses is available yet, the will visit Hong Kong on January official said. All standover cane was down and there had been some breakage and some rotting tion and local raw cotton and of cane would occur, he added. Advanced young cane in some recent raw cotton ban, a Pakiareas is also flat and large areas stan Consulate spokesman said have been inundated with flood | here.

Although cane can recover well from inundation, it loses sugar content, and once flattened, it stays down, requir-

waters.

The Minister will go to Japan on January 9, but the purpose of this visit is not immediately known, he added.

In early December, Pakistan ing expensive adjustments to banned raw cotton exports to harvesting techniques. its domestic market

29 Lamont Road, London SW10 0HS.

1. Tax-free trading on commodity futures.

2. The commodity futures market for the smaller investor.

ENSO GUTZEIT OSAKEYHTIO

64% Sterling/Deutsche Mark Guaranteed Loan 1980

Mandatory Redemption due 1st February 1979

Holders of bonds constituting the above Loss we required that, in rest to the manuscry redenosition of £400,000 homes. Bonds due on 1st februs 1979 the uption to receive newment in Deutsche Mark at the fixed rate. OM, 11.70 = £1 purst be entercised on or before 71th January 1979. It settle numbers of the Bonds drawn for this redenotion were published in till Financial Teness on 29th December, 1972.

Bonds and Compass presented for payment after 11th January 1979 with the control of the Bonds and Compass presented for payment after 11th January 1979 with the control of the Bonds and Compass presented for payment after 11th January 1979 with the control of the Bonds and Compass presented for payment after 11th January 1979 with the payment in Deutsche Mark.

COMPANY NOTICE

COPPER	Official		Unofficial	[]
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3 months. Settl'ment		+5.5	790.5-1.5	۲
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U.S. Smt.,		ابسرا	+79:3	] ]
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88.5, 89,	89.5, 80.	Cath	adas, asriy	J
£760 K	erb:: -Win	aberę,	three my	m

5th January, 1979.

BRITISH COMMODITY MARKETS

BASE METALS

Opened at 16,840 and sdaged up to the sasing to close on the late kerb at opened at 16,840 and 65,870 in the morning trading of the London Metal Exchange.

Forward metal opened higher at 1877

Funnan market coupled with some fresh

LBAD Official To close to a combination of factors Forward metal opened higher at 187 and gradualty moved shead to close a fraction below the day's highest level fraction below the day's highest level of 18815, following forecasts of further outgoings from LME warehouses to the near future coupled with another strong are related fresh arrivals of times, future coupled with another level to the saw profit taking enter the market with forward metal finely 65,850 on the lets with another strong are related fresh arrivals of times. Turnovar 1,690 tonnes.

						1,12	H- 01	p.m.	⊩l-or
	a.m. Official	+ 0=	p.m. Unofficial	+ ~	<b>51</b> N	Official	-	Unofficial	
	£	2	- 2	2	High Gra	de ± 6955-65	. £ _17 6	£ 6910-30	£ -97.5
Wirebars	774.5.5		776.5-7	+7.5		6875- <del>9</del> 00		6860-80	
3 months 7	89.5.90	+6 :	790.5-1.5	±7.25	Standard		{ → ;	6900-20	_99.6
Cathodes Cash		S	762-5	+5.25	d menths		+10	6840-5	
o months. Selei m.nh		44	779.5-80	+8	Settem 1. Straits. R.	15 1621		-	
TI.S. Smt	7		<b>+79:3</b>		New York	·			

Three month Gold 229.75-231.95

S. G. WARBURG & CO. LTD.

ransactions, but desired attributed the squeeze to a combination of factors including producer linked support buy-ing. Closing values were unchanged to £35 higher on the day.

COFFEE	Clove	+or	Business Done
	≝ per tonne	-	
Tandary	1560-1564	+45.5	1970-1980
March	1368-1369	+ 13.5	1369-1357
Mav	1275-1277	+69.0	1,265-1270
Iuly	1225-1226	+04.5	1234-722
entember	1187-1191	+88.5	1199.7180
Consenter	1165-1160		1170_11R
Yen —	1185-1140	20.05	1126 115
Sales: 4,0	343 (3,176)	ots of	5 tonnes.
iCO indi	ator prices	for Jar	1. 3 (U.S.
cents per	pound):	Colomb	ian Milo
	173.00 (661		
Arabicas 1	43.50 (sam	ma): p1	har Mile

GRAINS LONDON FUTURES (GAFTA)—Grains opened 10-15p up on old crops. Wheat in reasonable trading conditions increased to trade 50p higher, but some

commercial selling eased values slightly to close about steady 20-35p higher. Barley saw good buying, interest particularly on the spot position and values remained steady throughout the day and closed 30-40p higher. New crops again saw good buying interest and values increased on lock of selfers to close 45-85p up on the day, Acil reported.

reporte		- up o	1 146 42)	
WHEA'	 T		BA	RLEY
M'nth	i esteniay' close	1+0	Testerday's close	+ <u>~</u>
Jao Mar	92,20 94.00	+0.35	84.10 86.30	+0.4 +0.5
May Sept.	96.55 90.55 93.40	+0.19 +0.45 +0.45	88.85 ` 84.55 87.55	+0.4
Busi 92.00, 96.35,	March Sept. 9	94.15-94. 0.55-90.1	00. May	92.35 96.60 93.50

96.35, Sept. 34.30-30.23, rov. 34.20-33.45, Sules: 176. Barley: Jan. 84.20-83.85, March 86.45-86.20, May 89.00-87.25, Sales: 205. Mov. 87.60-87.25, Sales: 205. May Sales: 205. Mov. 87.60-87.25, Tibury. U.S. Sales: 205. Mov. 87.60-87.25, Tibury.

IMPORTED—Wheat CWRS No. 1, 132-per cent, Jan. 97.25. Tilbury. U.S. Dark Northern Spring No. 2, 14 per cent, Jan., Feb. and March 88.75. renshipment East Coast. U.S. Hard Winter, 132-per cent, Feb. 85.00. transhipment East Coast. EEC unquoted. Maize: U.S./French unquoted. Franch. Jan. 107.25, East Coast. S. African White Jan. 69.00. S. African Yellow Jan. 69.00. Barley: English feed feb Jan. 86.00, Feb. 87.00, March 88.50, April. June 91, 25, East Coast.

STEADIER opening on the London physical market. Fair interest throughout the day, closing quietly steady, thewis and Peet reported the Malaysian go-down price was 235 (same) cents a kilo (buyer, January).

Mar	No. 1	Yesterday's	Previous	Busines
	B.S.S.	Close	Close	Done
Sales: 17 (14) lots of 5 tonnes. 1	Mar Apr. Jne Jy-Sept. Oct. Dec Jan. Mar. Apr. Jne Jy-Sept. Oct. Dec	57. 10-57. 15 58. 50-58. 56 60. 75-80. 60 63. 05-83. 10 65. 50-95. 65 67. 56-87. 50 69. 80-88. 85 72. 10-72. 15	56,50-56,66 67,95-58,00 60,25-60,25 62,46-62,50 64,70-64,75 65,35-67,00 69,20-69,26 71,50-71,56	58,90-58. 50.90-50. 55.15-92. 55.50-65. 57.55-57. 85.45

(102) lots of 15 tonnes.
Physical clusing rices (buyers)
were: Spot 560 (5.25): Feb. 57.25p
(56.75); March 67.75p (57.5). WOOL FUTURES

Differentials widened further in tobustas due to further heavy buying

### PRICE CHANGES

should be available next week.

Price in tonnes unless otherwise

Metals	1	1	i
Alaminium	£710		2710
Free market (eis) .	SI.235/55	+35.0	-8L170/60
Copper cash W Bar	2776.76	+7.5	£770
Z messha do do	07D1	17 95	£780 F
3 months do. do. Cash Cathode	MICO DE	- 0 AE	27000 t
Cash Cathode	#-102.20	+0.23	21013
3 months du do.	2779.75	+8.D	E775.15
GoldTroy oz.	8225.625	+6.25	\$19 <b>8.</b> 5
Lend cash	£456.76	-0.25	£433.5
Lead cash	P420 76	-0.95	£410.96
Winted			
Nickel Pree Market(cif)(lb)	a 1 - 2 - 1		<b>\$1.68</b>
\$160 murer(cn)(n)	91.00		PT-00
	1.76		j~1,80
			1
77-4L	£152		£156
	£169.3		£168.25
Quicksilver	\$175/45		\$147/52
Silver troy co	296,5p	-0.5	300.35p
3 months	303.6 <sub>0</sub>	-0.4	300.35p 308.55p
Tin cash	PR 910	_Q9.5	£7,320
2 manths	PR 849 E	- E A	£7.197.5
3 (3)(N1(118,,),	20,072.0		
Tungsten (z)	\$140.03	0.14	\$142.66
Wolfram 22.04 cif	\$ 162/07	<u>-~1,0</u>	3167/46
Zine cash	£343.5	十五川	£365.25
3 months	£354.25	+3.75	<b>£346</b>
Producers	\$720		5720
3 (((((((((((((((((((((((((((((((((((((	7,20		10
Oils	,	ł	!
Coconut (Phil)	\$950r	+25.0	\$875
Convendent			1
T of Charles	cz		£343
Groundaus Linseed Crude Palm Malayan	2510		\$590
Laim mintain.	\$pms	ر,و⊷	\$080
	l		l
	)	,	ļ
Seeds ·			ľ
Copra Philip	8640r	+20.0	8575
Copra Philip Soyabean (U.S.)	\$283.5/	-2.5	\$279
20,00000 (0 -0.).000			
	!!		)
Grains		. '	1
Barley	l		<b>,</b>
Home Future	PRE X	±0.2	686.65
Maize		7 0	
French No. 3 Am	D.R7 0E-		£106.25
	2, 101.2DE		E-100-50
Wheat		ļ	
No. 1 Red Spring No.2 Hard Winter	297.25		#246.D
No.2 Hard Winter	£851	+0.75	£89.5
Hnglish Milling t	£95.5×		294
•			•
Other Commoditie			
Cocca Shipment	£2037	1+46.5	£2,147.5
7	D 1 601 E	ZD OF	£9 887 5

"Nominal, † New crop. ‡ Unquotad. n Jan.-Merch. q Jan.-Feb. r Feb.-March. z March, t Feb. x per ton. z Indicator.

Contract: March 350.5, 360.7, 360.5-350.5, 4; May 358.0, 368.8, 358.5-358.5, 1; July 362.0, 362.9, 362.5-262.5, 4; Oct. 384.0, 36.0, 384.0-364.0, 3; Dec. 367.5, 368.0, nil, nil; March 370.5, 372.0, nil, nil; May 372.5, 376.0, nil, nil, 384ea: 12.

### SOYABEAN MEAL

	Yesterday Close	+œ	Businee Done
	Epertonne		
February	124.50-24.8 122.00-22.1	+0.15	25.00-24.5 22.00-21.8
Inde	120.50-10.8 120.64-21.2	+0.70 +0.10	20.80-20.50
October	720.58-24.8 118.00-18.0	1.75	24.98
Pebruary	(18.90-20.0)	+0.20	

SUGAR

First trades were around Kerb levels and buyers/sollers well matched during an active opening call, reported C. Czernikow. Later, buyers predominated and prices rallied some 125 Arbitrage selling developed after New York opened and half the gains had been lost by the close.

ref. mm. on.	Yesteriay's Close	Previous Ciose	Businesa Done
7 5 reh	£ pc 105.20-05.50 107.95-08.00 111.55-11.40 114.20-14.50 118.45-18.50 120.25-20.76 122.00-25.75	107.50-07.40 111.00-11.50 114.15-14.25 116.65-16.75 120.25-20.75	08.75-07.25 12.25-10.85 14.89-13.75 17.00

Sales: 3,120 (1,193) jots of 50 tonnes. Tate and Lyle ex-refinery price for granulated basis white sugar was £284.85 (asme) a tonne for home trade and £168.00 (£167.00) for export. International Sugar Agreement (U.S. cents per pound) lob and atower Caribbean port. Prices for Jan. 3 Daily 7.71 (7.66): 15-day average 8.01 (8.03).

(8.03).

WHITE SUGAR: Close (in order buyer, seller, business, sales). Feb. 93.50, 93.75, 94.25.93.00, 65: April 100.75, 100.90, 101.75.99.75, 159; July 108.85, 107.25, nil; Sepz. 113.00, 113.75, nil, nil: Nov. 119.00, 120.00, nil, nil: Feb. 123.50, 125.00, nil, nil: April 127.00, 130.00, nil, nil. Sales 230.

#### **MEAT/VEGETABLES**

SMITHFIELD—Pencs per pound. Beef: Scottish killed aides 58.0 to 51.0. Vess!: Dutch hinds and ends 101.0 to 105.0. Lensb: English small 56.0 to 62.0, medium 54.0 to 59.0; Scottish medium 54.0 to 58.0; heavy 48.0 to 54.0. Imported frozen: NZ YLs old season 47.0 to 48.0. Pork: English, under 100 lb 36.5 to 48.0, 100-120 lb 36.5 to 45.0, 120-160 lb 36.0 to 42.0. 36.0 to 42.0. MEAT COMMISSION—Average fat MEAT COMMISSION—Average instatuck prices at representative markets on Jan. 4: GB—Cattle 73.80p per kg.l.w. (+1.35). UK—Sheep 139.8p per kg.est.d.c.w. (+1.4). GB—Pigs 83.4p per kg.l.w. (-2.8). England and Wales: Carile numbers up 22.9 per cent, average price 74.08p (+1.47). Sheap up 30.5 per cent, average 139.3p (+1.44). Pig up 19.7 per cent, average 63.4p (-2.8). Scotland: Cattle down 0.8 per cent, average 72.48p (+0.82). Sheep up 123.6 per cent, average 139.5p (-0.8). COVENT GARDEN—Prices in starling per package except where otherwise

COVENT GARDEN—Prices in starling per package except where otherwise stated: Imported Produce: Lamons—Italign: 120s new crop 52-5.75; Cyprus: Trays 4.00-5.00; Boxes 80/180s 4.50-8.00; Catilornian: Cartons 90/185 6.00-8.00; Oranges—Spania: Naval/Navelines 3.30-4.00; Egyptian: Baladi 2.80-3.20; Greek: Navels 20 kitos 3.60-4.55; Sevilles—Spaniah: 5.00. Clementines—Cyprus: 10 kilos 3.20-3.60; Moroccan: 3.20-4.20. Satyumas—Spania;

3.80; Israelli: 3.30-4.30; Shamouti 3.30-4.55. Sevillees—Spanish: 5.00. Clementines—Cyprus: 10 kilos 3.20-3.60; Meroctan: 3.20-4.20. Satsumas—Spanis: Trays 2.30-3.20. Grapefruit—Texas: Rad Blush 4.50-4.60; Florida: 4.60; Cyprus: 2.20-3.60; Israeli: Jaffa 40/75-3.40-3.60. English Produce: Potatoes—Per 25 kilos 1.70-2.00. Lettuce—Per 12 round 1.80-2.00. Mushrooms—Per cound 0.60. Apples—Per pound 8 ramiey 0.08-0.12; Cox 5 Orange Pippin 0.05-0.13; Worcester Pearmain 0.04-0.06; Russers 0.08-0.09; Sparten 0.08-0.10. Pears—Per pound 0.14-0.18. Cabbages—Per crass 3.00. Beatroot—Per 28-lb 2.00. Carrots—Per 28-lb 2.80-3.30. Capsicultis—Per pound 0.30. Onions—Per bag 2.20-2.50. Swedes—Per 28-lb 2.50. Turnips—Per 28-lb 3.00. Parsnips—Per 28-lb 3.80-4.00. Sprouts—Per pound 0.16-0.22.

GRIMSBY FISH—Supply poor, demand good. Prices at ship's side (unprocessed) per atone: Sheft cod £6.00-£9.60 codlings £5.40-£5.60; large haddack £5.00-£6.60; medium £5.00-£6.80; medium plaica £5.00-£7.20; beat small £7.00-£7.40; large skinned doglish £10.50; medium £5.50; rockfish £7.50-£3.00; medium £5.50; rockfish £7.50-£3.00; rade £4.50 £3.00; reds £4.50.

#### **AMERICAN MARKETS**

NEW YORK, Jan. 4.
Copper—Jan. 68.95 (69.00), Feb. 69.60 (89.65), March 70.35, May 71.90, July 73.25, Sept. 74.35, Dec. 75.65, Jan. 75.10, March 77.00, May 77.90, July 78.80, Sept. 79.70.

CHICAGO, Jan. 4.

flard—Chicego foose 24.37 (24.00), NY prime steam 25.87 traded. 284.284, C284.) July 242, Sept. 2442, Dec. 249-2493, March 257.
Soyabsans—Jan. 6837-5702, (688), March 682-683 (681), May 6907-6812, July 6829-6879, Aug. 682-683, Jan. 6837-679.
IlSoyabsan Mesi—Jan. 186.70-186.50, Jan. 186.70-186.50, May 185.20-186.10, July 185.50-186.30, May 185.20-186.10, July 185.50-186.30, May 185.20-186.70, July 185.50-186.30, July 185.50-186.30, July 185.50-186.50, July 185.50-

# **EUROPEAN MARKETS**

ROTTERDAM, Jan. 4.

Wheat—U.S. No. 2 Dark Hard Winter, 13.5 per cent, Jan. Feb. U.S. 5152 a tonne. U.S. 14 tonne. U.S. 5152 a tonne. U.S. 5153 a tonne. State of the state of

### INDICES

FINANCIAL TIMES Jan. 6 Jan. 2 M'nth ago Year ago 257.04 257. 58 261.82 233.93

MOODY'S

Jan. Jan. Month Year 3 3 ago ago Spot ... 382.31 383,47 390,18347.07 F tur's 382.24 383,40 386.45 357.74 (Average, 1924-25-26=109) REUTERS Moody's Jan. Jan. M'th Year ago ago Jan. 4 Jan. 3 M nth ago Year ago 1495.9 1492.0 1515.1 1419.3 Spie Comty 976.1977,2981,1882,3 (December 31, 1931=100)

(Base: September 18, 1931=100)

DOW JONES

### U.S. food aid reduced

WASHINGTON—Rising farm 5.25m tonnes of food commodi-commodity prices are causing a ties would be available. The needy countries in the Food for Peace programme this year, reports AP-Dow Jones. According to figures released

by the U.S. Agriculture Department, about 8.6 per cent less food will be provided in the year that began on October 1 than previously projected. TEL AVIV—A new strain of Most of the cut will be in U.S. strawberries has been developed

(maize) and other commodities, record price of \$6,200 per The figures were included in tonne fob. HIDES Manchester. Very firm. Second clear ox 31-35½ kilos 72.1p per kilo: 25-30½ kilos 78p; 22-25½ kilos 56.3p. Light cows 85.5p. No call offered.

decrease in the amount of U.S. newly-revised tables now call aid that; will be provided to for 4.8m tonnes.

#### **NEW STRAIN OF STRAWBERRIES**

By L Daniel

wheat shipped under the Food in Israel and is being exported for Peace programme but also for the first time this season. will include less rice, corn Initial shipments brought a

In its preliminary allocation other varieties and thus enables in September a total of \$785m was specified for the Food for markets at the time when there is no competition.

\$800m in 1977-78. Because prices So far, 28 tonnes have been of many farm commodities were this season are targetted to down at the time, it appeared reach 75 tonnes. This quantity that a larger total tonnage of is to be substantially increased food aid could be provided. It next year in view of the success was estimated that more than of the first shipments.

### Commodities in 79: **BOOMorBUST?** Looking for more success in your commodity trading

this year? Are you getting the quality of advice you'll Whatever happens to the markets in '79, one thing is sure: the success that commodity traders achieve will largely depend on the market intelligence they get from their brokers. Wouldn't you agree that the most important factor is accurate price forecasting?

Our Annual Market Preview, which gives firm price

predictions at end "79, is being sent to all our clients.
Why not send for a free copy, plus the next two issues of our weekly Market Report.

### Talephone: 01-480 6841, or write to: **CCST** Commodities Ltd

Walsingham House, 35 Seething Lane, London EC3N 4AH.

-0.5 297p +2.0 -0.4 304.55p -0.56 -0.5 -- -----1M6—Turnover 449 (213) lots of 10,000 ozs. Morning: Three months 304, 4.1, 4.2, 4.3, 4.2 Kerb: Three months 304.1, 304. Afternoon: Three months 304.3, 4.4, 4.5, 4.6, 4.5, 4.7. Kerb: Three months 304.2, 4.1, 4.2, 4, 3.8, 3.7. COCOA

COFFEE

per troy os.

SILVER

Cocoa lutures were steady through-out the day, with a low purchess figure from Ghana attracting further short covering for prices to close 640 higher than last night's lavels, reports Gill and Duffus. March 1944.5-65.9 +48.00 1945.0-10.0 May 1981.0-82.5 +33.25 1984.5-52.0 July 1951.0-22.6 +40.50 1984.0-57.0 Sept 2900.0-2008 +58.00 2008.0-1390 Dec 2015.0-12.0 +58.75 2012.0-1890 March 2065.0-20.0 +59.50 2010.0-1390 May. 2088.6-20.0 +41.02

Salas: 3,546 (3,849) lots of 10 tonnes. International Cocoa Organisation (U.S. cents per pound). Daily pnce for Jan. 3 173.35 (177.21). Indicator price for Jan. 4: 75-day average 177.41 (177.32); 22-day average 178.73 (179.26).

LONDON—Close (in order buyer, seller): March 218.0, 225.0; May 224.0, 233.0; July 231.0, 340.0; Oct. 234.0, 240.0; Dec. 235.0, 242.0; March 238.0, 244.0; May 239.0, 250.0; July 239.0, 250.0, Sales: Nil. SYDNEY GREASY-Close (in order

eğu

12.

NEW ZEALAND CROSSREDS—Close (in order buyer, seller): March 183.0, 185.0; May 184.0, 185.0; July 186.0, 190.0; Oct. 189.0, 193.0; Dec. 191.0, 197.0; March 192.0, 198.0, May 193.0, 199.0; July 193.0, 199.0. Sales: Nil. BRADFORD—Wooltops. Pricas show little change. Finer merinos were quoted slightly cheaper but New Zestand and English crossbreds showed a fractionally firmer tandency. Bad weather and the haulage drivers' strike affecting the flow of wool from portagre not yet thought to be serious problems.

	Close	<b>`-</b>	Роще
	Epertonne		
Inda	122.00-22.1 120.50-10.8 120.60-21.2 120.60-24.8 113.00-18.0	+0.70 +0.70 +0.10 +0.50 +0.50	22.00-21.00 20.80-20.50 21.00-28.50 
C-1 9A	/881 Jane	-4 10	O tonnae

LONDON DAILY PRICES (rew sugar) 196.00 (195.00) a tonne dif for Nov.-Dec, shipment. White sugar daily price was fixed at 193.00 (192.00).

FINANCIAL TIMES STOCK INDICES

70.30

473.0

8.11

70,23

138.8 137.8 138.0 141.5 143.2 142.5 150.3

15.79 16.03 16.08 16.00 15.82

3,580 3,005 2,465 2,555 2,445 1,674 6,251

37.74 39.15 51.38 47.67 16.80

9,825 7,712 8,403 10,266 5,057 15,287

6.13, 6.10

8.06 8.12 8.21

68.47

70.24

479.9

97.5 97.0 95.6

8.23

6.02 5.11

10 am 481.9. 1 am 486.2. Naon 484.5. 1 pm 483.9.
2 pm 483.7. 3 pm 483.2.
Latest Index 01-246-8026.
10 Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord.
1/7/35. Gold Mines 12/9/55. Ex\$ pm index started June, 1972. SE Activity.
July-Dec. 1942.

High | Low

68.61

70.29

481.9

6.00

8.25

HIGHS AND LOWS

Covernment Secs.

Gold Mines(Ex-\$ pm)

Eernings,Y'ld % (full)

P/E Ratio (net) (\*)....

Dealings marked....

Equity turnover £m.

Equity bargains total

Ord. Div. Yield .....

68,68

470,9 472.9 478.2 494.5

99.1 100.2 99.6 -105.0

S.E. ACTIVITY

70.22 81.19

16.47

76.98

### Second-line stocks strong but equity leaders lose momentum after early extension of Wednesday's rise

Account Dealing Dates

Dealings tions Dealings Day Jan. 15 Jan. 25 Jan. 26 Feb. 6 recording 174 deals, while 131 "New time" dealings may take were done in GEC.

Ignoring the rather gloomy news background and the possible repercussions of the lorry drivers' strike in particular, investors yesterday decided to in equity stock markets. Fresh for leading issues. although initially encouraging, was to a degree overshadowed by a much improved interest for secondary stocks and it was the latter which finally emerged as the stronger.

Many of the early gains in represented an extension of the continued firmly at 32p, up 2 previous day's bear squeeze. Rises were pared quickly around noon when buyers withdrew in the face of revived small sales, usually on profit-taking. However, the bulk profit-taking. However, the bulk hanks. Hambros stood out with a of second-line issues resisted the rise of 7 at 192p. reactionary tendency and closed at or near, the day's best

Potential bid candidates were favoured again and activity also developed in other situation stocks, but despite the seemingly optimistic mood of the marketthe FT 30-share index was a further 6.3 up at 11 am—official markings totalled only 3,580 although this was an improvement on the previous day's 3,005 and the week-ago 2,445.

The index charted the downward course of the leaders from 11 am with a progressively smaller rise and at the final calculation it was only a net 2.0 higher at 481.9. The broad-based T-Actuaries Industrial Group index ended with an improvement of 0.7 per cent at 221.10.

areas of the market failed to enjoy firm conditions. Even British Funds moved foras bear-closing gained momentum in the morning business, producing recoveries extending to in among the shorts before they were finally trimmed The longer maturities were impressed by the movement and quotations here hedged up following a combination of switching operations and small straight demand. The medium tap Exchequer 121 per cent 1985 closed at 97%, only fractionally below the level at which the Government broker may become operational again.

Institutional demand for inevident but the premium closed a fraction lower at 83%. Yester-

An increased business in Plysu put on the same amount to SSp, up 4, along with Whessoe, at a 1978-79 high of 288p. Asso-Traded Options saw the number a 1978-79 peak of 113p. 3 dearer at S9p. - clated rose 5 to 170p. \*First Declara- Last Account of contracts completed improve Dealings tions Dealings Day to 743—compared with the pre-Dec. 11 Dec. 28 Dec. 29 Jan. 9 vious day's 507. Mark and Jan. 2 Jan. 11 Jan. 12 Jan. 23 Spencer attracted a good interest,

#### Life issues firm

News that Pearl Assurance achieved a 41 per cent growth in new annual premiums for life assurance contracts follow up Wednesday's good rise annuities last year helped the shares improve 4 to 238p and to 199p. The leaders found more prompted useful sympathetic improvements in other Life issues. Demand in a thin market left Hambro Life up 13 at 405p, while London and Manchester put on 4 to 136p and Legal and General, following publication trical sector broadened, but deof their new life business figures. first-line shares were exaggerated closed 3 to the good at 1530. Elseby continuing stock shortage and where. Edinburgh and General

Still reflecting Press comment, the major clearing banks moved further forward but failed to hold the day's best. Among merchant

Among generally firm Breweries, Bass gained 2 to 171p, and Davenports 3 to 79p, both following the annual reports. Arthur Bell were again in demand following the U.S. marketing deal with PensiCo and keting deal with PepsiCo and rose 4 for a two-day rise of 18 to 188p after touching 194p. Matthew Clark also improved afresh, adding 4 to 154p for a two-day gain of 12.

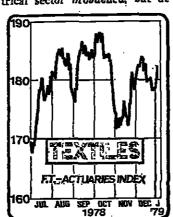
and leading descriptions drifted the amount of business transback to close with only modest acted. Farnell advanced to 413p improvements. BPB stood out, before settling at 408p for a rise and Johnson-Richards Tiles, came to life with a gain of 8 following the rejection of the bid worth around 132p per share Sound Diffusion 3 to the good from Norcros, moved up 6 to at 72p, after 73p, while further match that price. Heywood demand ahead of next Wednes-Williams continued firmly and day's interim results left added 3 for a two-day gain of 6 H. Wigfall up 6 more at 260p. to 148p on approval for the com-ing share-split. Leyland Paint Engineering leaders eventually improved 3 to 91p, while Burnett drifted back and final quotations and Hallamshire put on 4 to 220p were narrowly mixed. Tubes and Cement Roadstone a like ended 2 harder at 380p, after amount to 104p, the last-named 383p, but John Brown finished following an investment recom- a few pence off at 370p, after mendation. In Timbers, Montague 374p. Elsewhere, demand was L. Meyer and International again forthcoming for Mining hardened 2 apiece to 85p and Spplies

Fisons encountered a similar to 10.9 per cent. Favourable trade and, after touching 312p, trading statements left Birming-finished a net penny off at 307p. ham Pallet, 84p. and Howden Stewart Plastics firmed 4 for a Group, 90p, up 2 apiece. GEI two-day gain of 12 to 175p and International attracted buyers at

#### Bambers wanted

main focal points in Stores. Renewed investment demand helped Bambers put on 6 afresh to 118p, while similar improvements were and Time Products, 203p. Particularly firm of late ahead of interim statement, Monday's H. Samuel A encountered sporadic profit-taking and softened 2 support than of late but made only modest progress. Among Shoes, Stead and Simpson A improved 2 to 44p in front of today's interim figures.

Buying interest in the Elec-



Buildings encountered a better mand often found the market trade than of late, but buying short of stock and the resulting interest waned in the later trade gains were out of proportion to however with a rise of 8 to 254p, of 10, while United Scientific

advanced 6 1210 respectively, while house further to 117p, while buying in term stage, and following the builders Milbury improved the a limited market left Victor Pro- company's cautious statement same amount to 690.

Early buying interest lifted Birmingham Mint moved up 4 to ICI to 371p, but subsequent lack 130p following news that Astra of interest left the close un- Industrial Group had increased changed on balance at 3660, its shareholding in the company

The Food sector featured Linfood, which, on interim profits shifted from the leaders to Secondary issues provided the rose 13 to 139p. Speculative buy- markets, Churchbury Estates ing was directed towards Bernard Matthews which touched 190p before shading to 184p, up 6 on balance, and Avana, 3 better at seen in James Beatile A. 137p, 85p on takeover possibilities. Associated Biscuit firmed 2 to 72p; the new nil paid shares touched 12p premium before settling a penny higher on balance at 10p premium. Buyers came in for Sidney C. Banks which improved 4 to 82p and J. E. England, at 29p, up 11. In the leaders, Tate and Lyle finished 2 cheaper at 186p after early progress to 190p.
Trust Houses Forte touched

264p before drifting back to close 3 higher on balance at 261p.

#### Rank higher Persistent demand ahead of

the preliminary results due on January 24 helped Rank Organisation rise 8 to 262p and feature the quietly firm miscellaneous Industrial leaders which managed to take the premodest stage further. Dest levels were not held and Beecham, after touching 6520, closed only 5 higher on balance at 64Sp. Pilkington put on 7 to 305p but Glaxo finished unaltered at 5150 after 520p. Elsewhere, LCP jumped 18 to 110p on the disclosure that the group is selling its Homecontres subsidiary to W. H. Smith for a cash payment of £12m; the latter reacted from 147n on the news to close a penny easier on balance at 144p. Charles Hill of Bristol gained 5 to 90p following the sale of its building and engineering subsidiary to Uorwest Holst and Extel added 14 more to 154p in continuing recently taken in the company hy Racal Electronics. Wilson Walton, on the other hand, fell 7 to 30p in reaction to the firstomission of the interim dividend while Stanley Gibbons shed 4 to

Film Service gained 7 to Elsewhere, demand was 11n in a thin market. Fodens reported a sharp down-turn in taxable profits at the incompenv's cautious statement concerning future trading the shares olummeted 8 to 49n. ERF. favourites for a merger with Fodens lost 7 to 123p. British Car Auctions responded to Press comment to put on 11 to a 1978-1979 high of 56p.

2950, after 293p, after Press criticism about Letraset's bid.

In the Leisure sector. Samuel-

remained firm with News International adding In Properties, buying emphasis

well above market expectations, selected secondary issues. In thin gained 10 to 35p and Mountview Estates rose 7 to 98p, while Lynton and Evans of Leeds put on 4 aptece to 134p and 92p respectively. Occasional interest lifted Regional 6 to 80p and Control Securities 2 to 35p, while Bellway added another 3 to 83p. Imry held a gain of 8 at 400p, while improvements of 4 were marked against County and District, 134p, Daejan, 110p, and Samuel, 94p.

#### Oils fluctuate

Trading conditions in the Oil market were extremely thin and sensitive. Leading issues quickly responded to initial scattered buying interest before reacting sharply to close around the overnight closing levels. British Petroleum touched 922p but reacted to close 2 off on balance without alteration at 572p, after

issues moved in a similar pat-tern, Siebens (UK) closing 4 higher at 242p, after 246p. Fresh buying interest was show in Trusts where small gains were fairly commonplace. Among Financials, Kellock encountered fresh speculative support and put on 3 more to 62p.

580p. The majority of secondary

Shippings were inclined harder, with P. and O. Deferred improving 3 to 88p with the aid of an investment recommenda

Fabrics rose 31 to 37 on slightly improved profits despite adverse trading conditions. closed 2 up at 121p. Firm overnght in Johannesourg, O.K. Bazaars added 15 to

Textiles, Bond Street

Denomina-

BAT Inds. .....

Glynwed ......

Boots ..... Burmah Oil .....

Extel .....

Lloyds Bank .....

Marks & Spencer

Grand Met.

Allied Breweries 25p

Barclays Bank ... £1

Harrisons Malayan Estates rose 6 to 111p in a thin market.

#### De Beers up again De Beers continued to hold the limelight in mining markets as further American buying lifted the price another 6 to 412p, after 416p; it has now risen over 40p

in the past six trading days, re-flecting market expectations of a brilliant 1978 world diamond sales figure. Other South African Financials

also moved ahead. "Johnnies" were prominent with a improvement to £14i in the year to last June diamond interests provided 32.4 per cent of "Johnnies" total income. Union Corporation put on 4

more to 262p but Anglo American Corporation eased in the late trade to close a penny off on balance at 303p, after 306p. South African Golds made modest headway following the S6.25 recovery in the bullion price to \$225.625 per ounce; the rise reflected general satisfaction International Monetary Fund

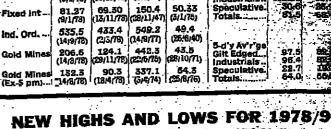
However, business in the share market remained at a low Nevertheless, heavy weights showed gains of up to a as in Randfontein, £281, while rises of were common to Vaal Reefs, and Free State Geduld, Tins gained ground in line with

the general improvement in Far Eastern markets. Ayer Hitam, 345p. Berjuntai, 225p and 345p. Berjuntai, 225p and Southern Kinta, 175p. all registered gains of 5, while Kamunting put on 2 to 69p. Australians were marked down at the outset owing to the weak-ness of overnight markets in

Sydney and Melbourne, but modest London buying enabled prices to close above their lows. Conzine Rictinto lost 15 to 290p. In Plantations, far-eastern after 288p, and BH South 8 to influence coupled with some 105p. MIM Holdings, however, London follow-through left gained 4 to 208p and Pacific Guthrie 10 better at 335p, while Copper hardened 2 to 62p.

Closing Change 1978-79 1978-79

**ACTIVE STOCKS** 



NEW HIGHS (78) BRITISH FUNDS (1) table 1981 CANADIANS (1) BEERS (4) Burtonwood
Irish Distillers Morizan
BUILDINGS (3)
Vectis Str

ollowing accurities quoted by the Information service yesterday new Highs and Lows for 1978-79.

Milbury Sharpe & Fisher CHEMICALS (2) Physu Haistead (J.) Haistead (J.) Plysu
STORES (4)
Bambers Stores Boardman (K. O.)
Beettie (J.) A Rosgill
ELECTRICALS (4) Elec. Rentals

Sound Diffusion

Withorth Elect.

ENGINEERING (4)

English Card Cloth.

Howden Group

FOODS (5)

Avana

Matthews (8.)

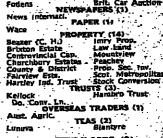
Edwards ((.)

Banks (S.C.)

Morgan Edwards

and oks (S. C.) horest six (S. C.) horest (C. C.) HOTELS (2) Confort intl.

INSURANCE (1) LEISURE (2)
Burt & W.A.T. A Saga Holldays



NEW LOWS (3) FOREIGN BONDS (1) Ireland 9'-pc '91-95 BANKS (1) Hill Samuel Wis. INDUSTRIALS (1) Bath & Portland

#### RISES AND FALLS YESTERDAY -

British Funds	Up RR	Down	Same
Corons, Dom. and		_	
Foreign Bonds	601	91	838.
Financial and Prop.	287 18	3	16
Plantation	53	15	- <del>5</del>
Recent Issues	1,064	T33	1,234
			v

#### **OPTIONS**

DEALING DATES Last Deal- Declara- Settleings ings tion ment Dec. 19 Jan. 8 Mar. 22 Apr. 3

the call included Lourho, UDT, Ultramar, Town and City, Amalgamated Stores, Keliock Capital and Counties and Johnson-Richards Tiles. Puts Jan. 9 Jan. 22 Apr. 5 Apr. 18 were reported in New Throgs Jan. 23 Feb. 5 Apr. 19 May 1 morton Capital and FNFC 91 For rate indications see end of per cent loan, while doubles .... Share Information Scivice were completed in UDT, West Stocks to attract money for land and Woodside Burmah.

A STATE OF THE STA

#### STOCK EXCHANGE BUSINESS IN 1978

### **Quieter trade in gilts leads** to 20% fall in turnover

BY GEOFFREY FOSTER

Stock Exchange business in 1978 contracted in all sectors compared with the previous year, with turnover in Gilt-edged nearly 23 per cent down on the record 1977 figures. During 1978, £7.4bn of new

During 1978, £7.4bn of new Government stock was issued compared with £13.85bn in 1977 and £8.75bn in 1976. Inhibited by increased UK interest rates—the key Minimum Lending Rate jumped from 7 to 12½ per cent—and by the uncertain financial background because of the U.S. dollar's decline, trade in the gilt sector during the year fell by £31.1bn to £104.7bn. Turnover in short-dated issues, at £62.66bn, showed a 20 per cent reduction on the previous year and the number of bargains transacted in the funds as a whole was 216,751 fewer at 752,058.

The Financial Times Turnover index for Government Securities in 1978 recorded a monthly-average figure of 369.2 against the previous year's record 478.8 and the 1976 average of 288.9.

Business volume in Ordinary shares also decreased, but not so sharply. Turnover here fell by £0.95bn to £19.2bn, a near-5 per cent contraction. The FT Turnover index for Ordinary shares in 1978 averaged 285.7 compared with the 1977 average of 299.9 and the 1972 record of of 299.9 and the 1973 record of a dating days in November 1973 record of the usual equities decreased by 77.959 to dealt in Ordinary shares during the year was 0.5m lower than the previous year's total and, at 4.1m, compared with the the days in the shorts decreased the decreased by 77.959 to 256,050, but the average value per bargain improved slightly, by £222 to £4,660.

Trade in the shorts decreased to 326,050, but the average value per bargain improved slightly, by £222 to £4,660. the previous year's total and, at 4.1m, compared with the peak 6.7m recorded in 1972.

Category

British Govt. and British Govt. Guaranteed Short Dated (having five years or less to run)

Short Dated (having five

years or less to run)

U.K. Local Authority

and Municipal

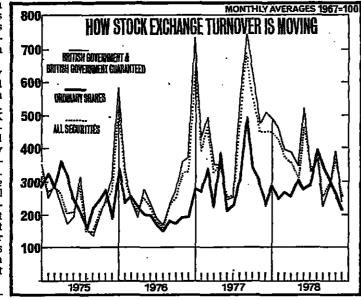
Fixed Interest Stock Preference and Preferred

Ordinary Shares

Ordinary Shares

TOTAL

Overseas Govt. Provincial



f.138.3bn. This was reflected December was 236.4 compared in the FT Turnover index for with January's high for the year all securities which averaged of 489.1 and the year's monthly 354.3 compared with the monthly average of 442.6 in

quietest trading month since June 1977, largely due to the fact that there were three fewer recorded in August. The numtrading days than in November ber of bargains transacted in

eak 6.7m recorded in 1972. by £1.3bn to £3.2bn but that in during December fell 31.5 per The average value per equity other fixed interest fell by cent, or £3.77bn, to £8.21bn, bargain was around £4,760. £2.25bn, or 48 per cent to again the lowest since June Mainly reflecting the fall-off £2.4bn. The number of bargains 1977.

Namber

1,385

3.098

5,694

1,581

25,686 7,5

256,050 74,9

341.890 100.0

of at . total

29.4

5.0

0.4

14.6

\*Average of all securities.

100.0

Value of all

purchases

and sales

367.6

412.8

31.4

107.7

L,193.1

8,206.4

of trade in gilts, turnover in all securities in 1978 contracted f34.6bn, or 20 per cent, to Government Securities in average of 369.2.

nonthly average of 442.6 in Business in ordinary shares 977. also wilted last month, contract-December proved to be the ing £0.29bn to £1.2bn, the lowest monthly total since June 1977;

Average

127.1

26.8

19.3

21.7

1.6

62.8

% of value

bargains total perday

0.6

0.9

1.6

0.5

Average

99 163

300

83

Average no. of

value per bargains

bargain per day

85,322

269.804

118,644

72,498

19.874

4,193 1,352

4,660 13,476

\*24,003 \*17,994

BP   850   67   1   93   -   113   -   912p   BP   900   23   25   60   28   82   -         BP   950   1½   8   31   5   50   -       BP   1,000   ½   -   13   16   28   -       Com Union   140   12   45   16   -   20   -     Cons Gold   160   26   10   35   10   36   -     Cons Gold   180   7½   10   17   5   22   -       Cons Gold   200   1½   17   8½   -   12   -     Courtaulds   120   5   29   10   -   12½   -     GEC   350   7   26   22   -   34   -     GEC   350   12   105   10   -   21   -     Grand Met.   100   16½   7   19½   2   23½   -   116p   Grand Met.   100   16½   7   19½   2   23½   -   116p   Grand Met.   100   16½   7   19½   2   23½   -   116p   Grand Met.   100   16½   7   19½   2   23½   -   116p   Grand Met.   100   16½   7   19½   2   23½   -   116p   Grand Met.   100   16½   7   19½   3   26   -   248p   Boots   240   10   4   220   3   26   -   248p   Marks & Sp   60   27   52   12   -     15½   -     Marks & Sp   90   1   2   5½   13   8   102   Shell   550   27   7   46   -   52   -   576p   Boots   230   5   42   13¼   10   5½   15   9½   -     Boots   230   5   42   13¼   10   5½   15   9½   -     Boots   230   5   42   13¼   10   5½   15   9½   -     Boots   230   5   42   13¼   10   5½   15   9½   -     Boots   230   5   42   13¼   10   5½   15   9½   -     Boots   240   18   -   23   -   25   5   145p   EMI   140   9½   25   15   25   21   -     EMI   231   240   9   2   16   25   21   -     EMI   231   240   9   2   16   25   21   -     EMI   231   240   9   2   16   25   21   -     EMI   231   240   9   2   16   25   21   -     EMI   231   240   9   2   16   25   21   -     EMI   231   240   9   2   16   25   21   -     EMI   231   240   9   2   16   25   21   -     EMI   231   240   9   2   16   25   21   -     EMI   231   240   9   2   16   25   21   -     EMI   240   240   9   2   16   25   21   -     EMI	Option	Ex'rc'se	Closing offer	Vol.	Closing offer	Vol.	Closing	Vol.	close
February   May   August	BP BP BP BP Com Union Cons Gold Cons Gold Cons Gold Courtaulds GEC Grand Met. ICI Land Sacs Marks & Sp Marks & Sp Shell	850 900 950 1,000 140 160 100 120 360 110 120 360 240 60 80	67 23 12 12 12 26 712 2112 57 12 151 14 10 27 712	25 8   45 100 107 22 26 105 7 310 124 522 7	60 31 16 35 17 81 <sub>2</sub> 10 22 10 191 <sub>2</sub> 101 <sub>2</sub> 201 <sub>2</sub> 201 <sub>2</sub> 29	56 10 5 	82 528 220 322 12 1212 1214 2314 2412 912 35 26 1312 8	102	351p 186p " 121p 355p " 116p " 367p 248p 86p
Boots 200 5 42 131 - 18 - " Boots 260 1 - 54 10 54 10 54 10 54 145p  EMI 130 18 - 23 - 25 3 145p  EMI 140 912 23 15 - 20 - 31 145p  EMI 240 9 2 16 23 21 - 231p	•	;	Febru	ary	M	ay	Aug	ust	
Totals   74   34   3	Boots Boots EMI EMI RTZ	200 260 130 140	5 18 91 <sub>2</sub>	42 — 23	131 <sub>3</sub> 51 23 15	10	18 25 20	3 - 3	" 145p

LONDON TRADED OPTIONS

#### RECENT ISSUES **EQUITIES**

Issue		ate of the	197	8:79	Stock	E S	+ or	5 <u>0 5</u> E. `₽	Imea	5 5 5 5 5	3 P.E.
Price	!≨å. !!		High	Low	<u> </u>	응6 ^		<u> </u>	-8		_
AS0.50 AS125		=	78 106	97	Ashton Mining 50c TAUST: Farming AS1.	77 97	+1	=	=	=	=
155	F.P.	10:1	146 176	140 170	HarrisQueensw'y 20p	142 173	+2 +2	<i>t</i> 7.8		6.8	
29	F.P.		31 34	31	Kitchen Queen 10p M. Y. Dart Deid	30 31	+ 1 5	b1.34	]	- 1	. —
110	F.P.		135	115	Mill'ttsL's'reShps20p	152		₩5.7	1.8	0,4	(2.7

#### **FIXED INTEREST STOCKS**

Prion Am'un	Renum Pate Pate	1978:79 High   Low	Stock	Closing	+ or
1100p F. 1100p F. 21 F.	P. 5/1 P. 22/1: 10 II 11/1	100 893 210012 p 99 106 102 2 99p 9712 1314 13	p Assoc, Dairies 934% Pref. 2 Coine Valley Water 8% Red Prf. 1885. 9 Findlay 5% Cnv. Cum. Red. Prf. Hawley-Goodall 12% Cnv. Uns. Ln. '86-88 Niewman Inds. 1814% Acc. Pref. Mid Kent Water 8% Pref. 1884 n.Rivington Reed 912% Cnv. Cum. Red. Pref. p Seascope 1814% Pref.	99p 105 97p 1314	_1 +1

### "RIGHTS" OFFERS

Issue								
60 Nii — 12pm 7pm/Associated Biscuit 10pm +1 560 F.P. 8/12 12/1 652 568 Beecham 652 +2 17 F.P. 16/12 26/1 2014 1912 Boulton (Wm.) 1913 +14 67 F.P. 29/12 5/1 77 69 Capper-Neil 7112-1 305 F.P. 15/12 12/1 122 107 Clifford (Chaz.) 120 —1 93 F.P. 15/12 12/1 116 101 Dixton (D.) 114 45 F.P. 3/1 9/2 53 47 Foster (John) 5212-12 130 F.P. 8/12 12/1 147 140 Hoskins & Horton 145 120 F.P. 5/1 9/2 248 248 Lep Group 247 125 F.P. 15/12 12/1 161 150/M. L. Holdings 155 125 F.P. 15/12 12/1 161 150/M. L. Holdings 155 155 Nii 5/1 26/1 13/0m 11pm Milbury 11pm 156 156 F.P. 18/12 10/1 230 210 Stothert & Pitt 225 10 Nii 5/1 26/1 13/0m 11pm Milbury 11pm 225 10 Nii 5/1 126/1 13/0m 11pm Milbury 125 10 Nii 5/1 126/1 76 67 Tern Consultate 69	Price	ald Up	Renunc. Date	<del></del>		Stock	losing prices	+ 0
560     F.P.   8/12/12/11   652   568   Beecham   652   +2       17     F.P.   16/12/26/1   2014   91/2   Boulton (Wm.)   1954   +4       67     F.P.   29/12/5/1   77     69   Capper-Neill   71/2 - 1       305     F.P.   15/12/12/1   122   107   Clifford (Chaz.)   120   -1       93     F.P.   15/12/13/1   146   101   Dixon (D.)   114   -1       45     F.P.   3/1   9/2   53   47   Foster (John)   521/2 - 1/2       130     F.P.   5/1   9/2   248   242   Lep Group   247   -1       210     F.P.   15/12/12/1   161   150/M   140/4   Hotkins & Horton   145   -1       250     F.P.   3/1   9/2   320   298   Matal Box   310   +2       55     Nil   5/1   26/1   15pm   11pm   Milbury   11pm   12m	p:	<₽		High	LOW		12) 14	ţ
560     F.P.   8/12/12/11   652   568   Beecham   652   +2       17     F.P.   16/12/26/1   2014   91/2   Boulton (Wm.)   1954   +4       67     F.P.   29/12/5/1   77     69   Capper-Neill   71/2 - 1       305     F.P.   15/12/12/1   122   107   Clifford (Chaz.)   120   -1       93     F.P.   15/12/13/1   146   101   Dixon (D.)   114   -1       45     F.P.   3/1   9/2   53   47   Foster (John)   521/2 - 1/2       130     F.P.   5/1   9/2   248   242   Lep Group   247   -1       210     F.P.   15/12/12/1   161   150/M   140/4   Hotkins & Horton   145   -1       250     F.P.   3/1   9/2   320   298   Matal Box   310   +2       55     Nil   5/1   26/1   15pm   11pm   Milbury   11pm   12m	60			12pm	;	Associated Biscuit	   10pm	<del> </del>  +1
67 F.P. 29/12/5/1 77 69 Capper-Neill	560			652	568	Beecham	652	+2
67 F.P. 29/12/5/1 77 69 Capper-Neill	17	F.P.	18/12/26/1	1 2014	19le	Boulton (Wm.)	1954	+4
305   F.P.   15/12/12/1   122   107   Clifford (Ches.)   120   -1	67	F.P.	29/12 5/1	77	69	Capper-Neill	7112	-1
93 F.P. 15/13/19/2 116 101 Dixon (D.) 114 45 F.P. 3/11 9/2 53 47 Foster (John) 52½-½ 130 F.P. 8/12/12/1 147 140 Hoskins & Horton 145 210 F.P. 5/1 9/2 248 243 Lep Group 247 125 F.P. 15/12/13/1 161 150/M. L. Holdings. 155 850 F.P. 3/1 9/2 320 298 Matal Box 3610 +2 850 F.P. 18/12/10/1 230 210 Stothert & Pitt 225 85 F.P. 18/12/10/1 230 210 Stothert & Pitt 225 85 F.P. 18/12/15/1 76 67 Tern Consultate 69	305				107	Clifford (Chas.)	120	
45   F.P.   3/1   9/2   53   47   Foster (John)   52½   ½   ½   ½   ½   ½   ½   ½   ½   ½	93	FP.	15/12/12/1					
130   F.P.   8/12/12/1   147   140   Hoskins & Horton   145   120   F.P.   5/1   9/2   248   242   Lep Group   247   247   125   F.P.   15/12/12/1   161   150M. L. Holdings   155   247   250   F.P.   3/1   9/2   320   298   Matal Box   3/1   3/1   3/2   3/	45			53	47	Foster (John)	52%	
210 F.P. 5/1 9/2 248 243 Lep Group	130							
125   F.P.   18/12/12/1   161   150/M. L. Holdings   155   155   155   150/M. L. Holdings   155	210	FP	5/1 9/2		242	en Group	247	
250 F.P. 3/1 9/2 520 298 Metal Box		F.P.	15/12/12/1					
55 NH 5/1 26/1 13pm 11pm Milbury	250	F P.	3/1 9/2		298	Matal Box	310	<u></u>
186 F.P. 18/12/10/1 230 210 Stothert & Pitt								
10 Nii - 712pm 12pm Suter Electrical Defd. 7pm 7pm 62 F.P. 18/12/15/1 76 67 Tern Consulate 69				230"	210"	Stothart & Pitt	225	
62 F.P. 18/12 15/1 76 67 Tern Consulate 69								
220   Bill   120(1   SIR   OPIN) OF FINE WOODEN OPIN						Vark fine Wastlan	6	
	460	MII	TALL   312	i obwi	opmi	1014 Line Modiigit	- opin	-4

Renunciation data usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. a Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. g Gross. T Figures assumed. I Cover Allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. Pt Pence unless otherwise indicated. I Issued by tender. Il Offered to holders of ordinary shares as a "rights." Issued by way of capitalisation. §§ Reintroduced. Il Issued in connection with reorganisation, merger or take-over. Ill introduction. Il Issued to former preference holders. Allotment letters (or fully-paid). • Provisional or partly-paid allotment letters. \* With warrants.

### FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	-	EQUITY GROUPS	T	hurs.,	Jan.	4, 197	79	Wed., Jan.	Tues. Jan. 2	Fri., Dec. 29	Thurs., Dec. 28	Year == ago (approx.)
		GROUPS & SUB-SECTIONS  ures in parentheses show number of stocks per section	index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net)	Index No.	index No.	Index No.	Index Na.	Index . No.
1	1	CAPITAL 600DS (172)	236.18	+0.8	16.97	5.55	8.07	234,29	231.39	230.71	232.08	212.72
1	) 2	Building Materials (27)	209.38	+1.6	18.02	6.17	7.63	206.12	203.61	203.37	204.35	195.3 <b>9</b>
1	} 3	Contracting, Construction (28)	364.07	+0.6	21.28	4.92	6.75	361.89	357.67	357.94	358.58	348,05
ı	4	Electricals (15)	550.02	+0.7	13.63	3.45	10.10	546,22	540.58	536.74	541.92	46437
I	5	Engineering Contractors (14)		+1.0;	18.05	5.97	7.53	357.58	352.74	352.47	354.51	304.10
ł	6	Mechanical Engineering(72)		+0.5	18.24	6.07	7.31	183,82	181.34	181.29	182.01	164.93
l	8	Metals and Metal Forming(16)	}	+0.7	16.67	8.76	8.33	162.75	160.27	159.35	160,43	161.90
1	. 11	(DURABLE)(53)	211.63	+0.6	16.58	5.10	8.04	210.39	207.34	207.15	209.06	19525
ı	12	Lt. Electronics, Radio, TV (16)	268.16	+6.7	13.90	3.89	19.09	266.35	261.89	261.91	265.01	235.12
ı	13	Household Goods (12)		- +0.2	18.17	6.86	7.55	165.93	165.25	166.34	166.85	183.82
l	14	Motors and Distributors (25)		+0.5	21.04	6.90	5.96	121.62	120.09	119.57	120.28	117.92
1	21	(NON-DURABLE) (170)	211.14	+0.5	16.15	6,04	8.23	210.15	207.21	206.66	207.54	205.66
ı	22	Breweries (14)		+1.0	15.65	6.40	8.05	232.38	230.12	231.47	233.25	228.07
•	23	Wines and Spirits (6)	288.87	+1.1	16.08	5.16	9.13	285.71	279.15	282.48	282,92	249.50
	24	Entertainment, Catering (17)	275.75	+0.9	13.45	6.39	10.85	273.27	269.24	267.55	269.29	267.80
_	25	Food Manufacturing (39)	202.69	+0.1	18.76	5.57	7.08	202.53	199.92	199.66	200.01	202.30
	26	Food Retailing (15) Newspapers, Publishing (12)	233.40	+0.9	14,27	5.05	9.57	231.21	228.83	227,62	228.00	21957
	32	Newspapers, Publishing (12)	377.34	+1.7	21.32	6.43	6.62	37103	366.08	367.88	369. <del>9</del> 5	359.06
	33	Packaging and Paper (15)	133,28	i —∙	19.12	7.90	6.82	133.28	130.82	130.73	13143	133.49 5
	34 35	Stores (40)	195.46		12.12	4.87	11.87	195.38	191.74	189.76	190.80	197.04
	36	Textiles(23)	182.39	+0.9	17.64	8.21	7.33	180.68	178.59	178.39	178.31	173.25
-	37	Tobaccos (3)	237.23	+8.5	23.39	7.91	5.06	236.05	235.08	235.10	236.07	224. <del>53 .</del> .
0	41	OTHER GROUPS (99)	92,10	+0.5	15.68	7.06 6.28	4.89	91.65	90.89	91.46	92.28	99.80
Ratio	42	Chemicals (19)	270.DI	+6.1	15.98	6.79	8.22 8.17	196.61 278.28	194.38	193.79	194.66	196.24
2	43	Pharmaceutical Products (7)	250.07	+0.7	11.10	4.65	10.92		275.67	275.26	276.77	261.90
_	44	Office Equipment (6)	725.02	+3.1	18.00	5.72	6.63	248.35 131.01	245.15	242.72	243.76	262.35
_	45	Shipping (10)	414 63	+1.6	14.59	7.33	8.70	408.18	129.31 405.44	128.71	128.75	133.13
-	46	Miscellaneous (57)	213 99	+12	18.02	6.71	7.39	211.54	208,80	405.20 208.63	405.69 209.79	482.88 208.23
2	49	INDUSTRIAL GROUP(494)	221 18	+0.7	16.28	5.90	8.17	219.64	216.79	216.21	217.31	211.26
ō	51	Oils(6)	570 13	-0.1	13.69	3.95	7.94	510.47	501.52	505.29	509.20	_
7	59	500 SHARE INDEX	245 14	+0.5	15.88	5.60	814	243.80	240.47	240.20	241.52	479.54 233.65
	61	FINANCIAL GROUP(115)		+0.8	·	5.64		178.95				
	62	Banks(6)	203 77	+0.8	23.12	5.78	6.48	202.17	168.88 ±	167.85 195.51	168.81	177.85
	63	Discount Houses (10)	218.06	-0.3		8.12	0,40.	218.62	212.93	212,93	197.89 212.93	204.03 226.11
	64	Hire Purchase (5)	267.79	+1.2	14.52	5.08	9.09	165.83	165.00	163.63	165.09	167.65
-	65	Insurance (Life) (10)	137.20	+14		6.85		135.30	133.47	133.13	133.91	148.19
r	66	Insurance (Composite) (7)	124.73	+0.2	·	7.03	l· 🗕 I	124.54	123.32	122.51	122.65	142.42
-	67	Insurance Brokers (10)	311.85	+8.6	15.33	5,40	-9.31	310.08	309.28	309.53	310-12	332.84
_	68	Merchant Banks (14)	79.78	+19		6.14	_	78.26	77.62	77.40	7737	83.67
	69	Property (43)	273 73	+1.0	3.79.	2.95	42.22	270.94	267.26	267.42	268.89	251.34
••	70	Miscellaneous (20)	115.17	+1.5	21,74	6.84	5.81	113.46	113.01	113.84	113.88	109.93
	71	Investment Trusts (111)	205.88	+0.9		5.13		203.96	202.36	202.80	203.80	201.13
_	81	Mining Finance (4)	Tno so	<b>TU3</b>	18.25	6.91	6.75	102.66	101.39	101.26	100.86	. 89.58
	91	Overseas Traders (20)	298.69	+0.6	16.34	7.85	7.68	296.94	292.50	292.68	293.62	285.67
ię	99	Overseas Traders (20)	224,89	+0.6		5.65		223.52	220.60		221.33	217.22
-	í —								1	- I		
					ţ	FIX	(ED. İKT	EREST		turs.	Wed.	Year
		FIXED INTEREST PRICE	INDICES	i	- 1		YIELL	is .	1'	James .	- بالعالي العالم	700

<u>-                                      </u>	FIXED INT	EREST P	RICE I	NDICES	-			YIELI	EREST OS Gross Red	- 1	Thurs., Jan., 4	Wed., Jan.,	Year ago (approx.)
I	British Government	Thurs, Jan. 4	Day's change	nd adj. To-day	ad adı. 1979 lo date	1 2 3		<u></u>	5 years. 15 years. 25 years		9.67 21.39 12.70	9.70 11.43 12.24	7.13 9.21 9.84
2	Under 5 years	702.86 110.89	+0.10 +0.25	1 1	0.00 9.00	-4 5 6	Coupons	. 1	5 years 5 years 25 years	<u> </u>	12.76 12.79 12.79	12.80 <u>-</u> 12.82 12.82	9,38 10,28 10,44
3	Over 15 years	115.46 122.79	+0.17 +0.36	=	0.00	7 8	High Coupens	• 1	5 years 5 years 5 years		12.88 ° 13.33 13.34	12.84 13.36 13.36	9.81 ** 11.23 { 11.34
5	Ali stocks	109.26	+0.17	<u> </u>	0.00	10	irredeem		- years		11.94	11.78	9,88
			. !-	Thurs. Jan. Index Yiel No. %	M 3	1.	Tues. Jan- 2	Fri. Dec. 29	Thurs. Dec. 28	Wed. Dec. 27	Tues Dec: 26	Mon- Dec- 25	Year ago (alppfox)
15			4	54.77 †13.	54 54.	91	54.91	54.81	54.81	54.81	54.88	54.83	63.35
16 17				51.03 13. 72.25 13.	- 1	ŀ	. 1	51.17 72.58	51.17 72.38	{		51.17 72.42	57.33 77.59

70.2<sub>2</sub>

145.2

100,2

6.10 16.00

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196 (E 196 (E 196 (E) 196 (E)

-12 1 216

7.4 ....

12

200

SURVEYORS VALUERS AND AUCTIONEERS OF REAL ESTATE

> 481, Bruwnlee
> Bryant Hidgs...
> 153 Burnt & H...
> 170 Burt Boutton £1
> 22 C. Robey 'A' 100.
> 20 Cal'nder (6M) 10p
> 40 Carr (John) ...
> 681Comben Gp. 10p.
> 27 Contben Gp. 10p.
> 28 Crouch (Dr.) 20p
> 62 Crouch Group...
> 50 Crouch Group...
> 50 Crouch Group...
> 68 Crouch Group...
> 69 Crouch Group...
> 69 Crouch Group...
> 69 Erith...
> 60 Farctough Cons. Washington: 2nd Floor, 1525 E. Street, N.W., Washington: D.C. 20004 Telex 440340 Tel; (202) 47 8676 CHEMICALS, PLASTICS Manchester Queen's House, Queen Street.
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76 | 77 | Allied Insulators | 64 +1 | 16.19 | 2.4 | 98.49 |
110 | 42 | Aufo Pede histo | 105 | -1 | 2.13 | 4.4 | 19.(218 |
113 | 99 | BICC 50p | 125 | 17.14 | 1.18 | 3.3 | 9.0 |
114 | 81 | 85 K. 10p | 65 | 17.14 | 1.18 | 3.3 | 9.0 |
115 | 175 | 124 | 8 | 8 | 6 | 10.5 | 1.22 | 1.23 | 4.4 | 1.9 | (218 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | **ELECTRICAL AND RADIO** 

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531. Brookleuse 671.mt
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29
21 Brook Eng. 10p.
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98
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50.
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143	82	Brown & Tause		
445	217	Seroum & Tause		
445	217	Seroum & Tause		
445	217	Seroum & Tause		
50	30	Surgess Prod.		
51	30	Surgess Prod.		
52	Select	Select		
55	Carlor Let	10p.		
55	Carlor Let	10p.		
56	36	Carlor Let	10p.	
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56	36	Christy Bris.		
57	16	Cook W. Shei. 20p.		
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23	121	Cooper lett. 10p.		
23	122	Cooper lett. 10p.		
24	31	Cornite Sconp.		
66	46	Cornite Sconp.		
66	46	Cornite Sconp.		
67	Carlor Meliss.			
68	31	Darlor th law. 5p.		
54	118	Darlor th law. 5p.		
54	126	Darlor th law. 5p.		
55	126	Darlor th law. 5p.		
56	126	Carlor (Hidgs)	111	147
57	Carlor Carlor (Hidgs)	116	126	
58	136	Carlor the scon.		
58	136	Carlor the scon.		
59	75	Eng. Card Cloth		
50	Carlor the scon.			
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### FINANCIALTIMES

Friday January 5 1979



### UK still providing weapons for Iran

BY MICHAEL DONNE, DEFENCE CORRESPONDENT

MILITARY to fulfil contracts to provide Iran with Rapier missiles and Chieftain tanks, with no indica-tions so far that these deals, collectively worth nearly fibn, are likely to be either curtailed

But the Iranian Government's decision this week to suspend further work on developing a military-industrial complex at Isfahan once present contracts are completed has caused con-siderable concern in UK industry, and accentuated the uncertainties surrounding all military-industrial activities in

The Isfahan complex was intended to include factories making guns, ammunition and, eventually. also military vehicles including tanks and spares. Its ultimate cost was expected to be between £750m and £800m.

So far, only the first stage has been contracted for with UK companies, costing about £60m and involving site selection, drawing up of detailed specifications for factories, and the provision of initial utilities (heating, lighting, water, some training of local personnel, and

mission to Britain next month,

expected to include representa-

to countries with which it had

an embarrassing trade surplus

missions made a point of

import promotion mission to .

Britain comes at the end of a

year in which the gap in UK-Japan visible trade has grown by about 25 per cent. Figures

for the 11 months of the year

show Britain increased exports to Japan by 20 per cent to

£504m but imports from Japan

rose by 23 per cent to £1.203bn.
The trade gap grew more slowly last year than in 1977

when it rose by 36 per cent, but the UK is still failing to

penetrate the Japanese market

The decision to send an

announcing purchases.

Japan started import missions

Britain in the spring of 1973 of failed to place any orders. Later on

to buy UK goods.

seek—at least for the time being
—further contracts for the additional work necessary to complete the comlex and start pro-

deprived. at least temporarily, of major potential orders for further civil engineering work, for But all are clearly worried machine tools and other equipment, and for the training of Michael Cassell writes: The

At the same time UK companies are becoming increas-ingly worried about the future Aerospace's Dynamics Group, and the £500m-plus contract with the Ministry of Defence's

Royal Ordnance Factories to build Chieftain tanks. Both British Aerospace and the Ministry of Defence stressed that, so far, work was proceeding as planned, and payments infrastructure services and were coming through. were coming through.

But just before Christmas it

had been reported that because had been reported that because Though no details were avail-of the problems in Iran, the able vesterday concerning plans

completion, but thereafter, the working under an earlier con- the end of 1979 look doubtful.

be partially solved by a major

The buying mission will be

machinery, textiles, food and

ways to promote Japanese investment in British industry

while the fifth will include

spokesmen and mission co-

Leaders of the individual groups will be directors or senior officials of trading com-

panies, hanks and department

stores. The president of Mitsukoshi, Japan's largest and

oldest department store, will

probably head the consumer products group.

with anything like the success promote exports to Japan will engineering equipment.

Britain's own attempts to

The fourth group will study

which will concentrate

specific product areas,

Japanese trade mission

plans to buy British

Concentrate

consumer goods.

ordinators.

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

JAPAN is to send a trade Japan has achieved in Britain.

mission to Britain next month, Hopes that the problem might

The mission will be led by aircraft sale collapsed in the

Mr. T. Matsuo, president of the Marubeni Corporation, and is experted to include representa-

tives of more than 50 companies. Aerospace had been competing.

equipment Iranian Government will not tract for the support of towed-continuing seek—at least for the time being Rapier missiles for the Iranian Air Force.
All the UK companies in-

volved in work in Iran, both in duction of military equipment.

Thus, British industry will be ing industries, say that they deprived at least temporarily, intend to fulfil their contracts for as long as they are able to. But all are clearly worried

suspension of any further development work at Isfahan will come as a severe disappointingly worried about the future ment to Laing and Wimpey, the security of existing contracts two British civil engineering with Iran, including the £400m companies who have been the Tracked-Rapier anti-aircraft main contractors on develop-missile contract held by British ment there so far.

The two contractors have been involved in the project from its earliest stages and have between them already completed one £50m contract. They are now both involved on a further £60m work involving the provision of main utilities

towards the end of this year. of the problems in tran,
Tracked-Rapier would be built to repatriate UK personner,
entirely in the UK and not believed the contractors are considering withdrawal of subsome buildings.

week-end bringing home about for contracts now underway

This work will continue to 80 of its 300 employees in Iran being completed on schedule at

include 13 specialised trade missions at the British Export

Marketing Centre in Tokyo this

The first, a fashion dispay,

The British company Redifon

recently won a £2.5m order for

the supply of a Boeing 747

training simulator to Japan Air

Smith, Britain's Trade Secretary, has welcomed the mission

in a message to Mr. Esaki, the

Japanese Minister for Interna-

fional Trade and Industry.
The British Overseas Trade

Board expects the visit to run

from February 26 to March 6.

The first three days will be spent in London, after which the mission will look at different products throughout

The Japanese have not vet

said which specific products

they wish to see but the board

expects the machinery field to include electronics, agricultural

machines and environmental-

the country.

Colin Veitch writes: Mr. John

starts this month.

### Newspaper peace hopes rise on improved offer

BY PAULINE CLARK, LABOUR STAFF

THE five-week-old strike by Britain's 9,000 provincial journalisis appeared nearer a solution yesterday when em-ployers improved their overall pay offer to members of the Institute of Journalists to 13 per cent on earnings from a previous 11 per cent. The National Union of

Journalists, which represents the majority of the strikers, is excluded from the offer because the Newspaper Society has refused to negotiate with it until industrial action is

Effectively, however, the offer can be expected eventually to be applied to NUJ members as well as to non-striking members of the Insti-

#### A pointer

The Institute rejected yesterday's offer but agreed to meet the employers again for further talks next Tuesday, when it hopes to achieve a further improvement.

If a better offer is made to non TUC affiliated. Institute journalists, efforts to end the NUJ strike are likely to intensify. The offer would act as ap ointer to the level at which the NUJ can resume negotiations once the dead-lock is broken.

The NUJ, which claims more than 90 per cent support for its first major national strike in the provinces, has demanded a £20 a week increase across the board.

Yesterday's offer on basic rates ranged from 13.26 per cent (or £8.08) to 18.25 per cent (or £8.08) to 18.25 per cent (or £13.43) for journalists in the provinces. Those working for provincial newspaper groups in London were offered increases of up to 25.16 per cent (or £17.69) including rises as a result of regrading. Unimpressed

Mr. Bob Farmer, general secretary of the Institute, said last night that most journalists an average increase of 17.5 per cent (or £12.50). Although this had been rejected the gap was seen as narrow enough to justify a further meeting. A ballot on the offer would be deferred until after Tuesday. The NUJ yesterday attacked the Newspaper Society for

refusing to negotiate with the union and for adopting "a posture which can only increase the anger and defermination of our members." It. added that the union was " not impressed " by the latest offer to the Institute.

Times rejects inquiry call, Page 7

# **Prudential staff**

Assurance, first of the big Stage Five pay policy that may league to settle in the current be introduced next August, wag eround, have secured, after ASTMS has secured an index-dispute, increases of up to 14 linked arrangement which could per cent on basic rates. In addition productivity payments of slightly more than 17 per cent are expected to come due this year under a deal negotiated in 1970, which yielded 17 per cent

last year.

The deal for most of the staff, members of the Association of Scientific Technical and Managerial Staffs, is worth between 10.5 per cent and 14 per cent on basic. Managerial staff earning between £9,500 a year and £14,000 a year, will, according o the union receive more.

ASTMS disclosed details of battle, Mrs. Muriel Turner, be deal in retaliation against a ASTMS assistant general secreto the union receive more. the deal in retaliation against a

new move by it rival, the National Union of Bank Employees. The bank union is bidding for the staff association in Phoenix Assurance. ASTMS said yesterday that it, not the bank union, was the main union insurance and set the standards on pay in the industry through it sole bargaining rights at "a majority of the major companies like the rudential."

had been kept secret for fear of Government sanctions (now

DETILS of a Stage Four pay breach the pay policy and its 5 settlement which could set the per cent limit by containing a pace for the insurance industry commitment to future pay-emerged yesterday. In a bid to get round any

give up to 9.8 per cent automatically next October. Pensions have been improved, as have some other benefits. But the Prudential will cease

to be the prime target of ASTMS next year. The present deal is expected to run from October this year to April 1980, giving a new anniversary at the back of the queue. The new target will be either Pearl Assurance, where ASTMS claims almost 100 per cent membership, or Royal Insurance

tary, said that the bank union had no members there, while ASTMS had 700. She would be referring the case to the TUC. Mr. Len Murray, its general secretary, has told the bank union to stay out of insurance and ASTMS to stay out of

banking "ASTMS deeply deplores interunion competition in this highly profitable sector," she said. "It is against the interests of the employees and the companies themselves. We want to avoid, if we can the mistakes that have officially dropped by the Prime been made in other sectors Minister) goes even further to notably in manufacturing."

# win up to 14%

BY CHRISTIAN TYLER, LABOUR EDITOR

### Some 5,000 staff at Prudential

The Prudential deal, which

lapping activities. Synergy, is still out of fashion, which means that the anti-trust authorities are probably not having too testing a time. But this may be a matter of presentation as much as of business

Plucky little Fodens is fight-

ing with its back to the wall once again. Profits in the first half of the year have collapsed from £1.29m to £98.000 pre-tax. and earlier hopes of a good recovery in the rest of the year seem to have been abandoned though the second half "should be better." Whatever is lacking at Fodens, however, it is not optimism, which is there in plenty. Gazing into 1979-80 the

Board proclaims that a big pay-

It is not quite like 1972, when

pany liquidity is obviously a

help—and the most recent of official survey shows that although the liquidity of leading companies slipped back in the second half of 1978, it was

still well above previous peaks. This shows up in the high cash

content of the current crop of bids. Unlike the 1972 boom, which was largely financed by

the inflated value of company paper, roughly two-thirds of the value of bids currently out-

Business confidence obviously plays a part as well, and that is also reasonably healthy

according to recent surveys.

Banks say their clients feel that

some degree of stability has returned to the financial

markets, and that the wounds of 1974-75 have pretty well healed. It is noticeable that in many

cases, bidders are seeking to strengthen their portfolio of

businesses by diversifying into complementary but not over-lapping activities. "Synergy."

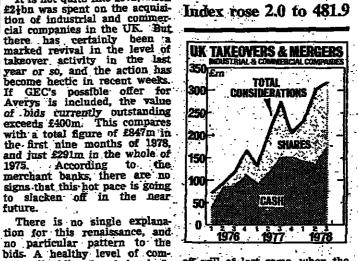
standing is backed by cash.

future.

rolls again

The bid bandwagon

THE LEX COLUMN



off will at last come, when the company is utrued up to produce its new model range at efficient

It is 31 years since Fodens was rescued by the city institu-tions ahead of the big loss in 1975-76. In the summer of 1977 the company then had to face a bid from Rolls-Royce Motors worth eventually around 53p a share, which got nowhere in the face of a profit forecast of £2.5m (with £2.8m actually achieved). At the time, Fodens painted a rosy view of its longer term prospects, claiming that the heavy vehicle sector had "one of the highest growth rate ex-

But the cofpany's ambitions have been partly based on insecure export markets in the Gulf and Africa. Demand in these areas has slumped at the Mercantile Credit yery time that Fodens has faced a lull between two military con-tracts, while bringing out the new range for the some market has proved expensive. The hope now is that in 1979-80 the benefits will be realised from the complete model changeover within the last two or three years. But interest payments, and gearing must have increased this year, so Fodens are high is relying heavily on the commercial vehicle market being reasonably firm over 18 menths.

#### Linfood Holdings

Because the recent acquisifrom Wheatsheaf, is included for the first time it is difficult to interpret Linguage Holdings interim figures, which show pre-tax profits up from £2.95m to £3.50m. The company does nothing to help its shareholders with their sums.

Anyone reading the gloomy accounting standard SSAP 15.

statement issued in October by Linfood chairman Lord Kissin could be forgiven for imagin in gthat the opening costs of Wheatsheaf's Bristol hyper-market and its substantial losses market and as substantial losses in Spain would weigh heavily on the first h elf figures for the enlarged group. In fact they are treated as pre-acquisition losses and make no appearance in the interim profit a nd loss account.

Interest amounting to £0.55m on the convertible loan stock issued in part payment for Wheatsheaf is relegated below the line; advance corporation tax is not taken into account in calculating attributable earnings. Pleing these two items in more conventional positions in the profit and loss account gives pre-tax profits (on sales more than doubled through taking in Wheatsheaf) unchanged from the year-ago figure, and attributable earnings of £2.37m compared with £2.63m. Fully diluted first half earnings per share work out at around 6.2p, down from 12.7p the previous year.

Even taking into account the improvement in trading mar-gins now reported to be under way in the small shops which form the backbone of Linfood's business, and the cost-saving effects of the enhanced buying power that the enlarged group should command, it is hard to see why the shares rose 13p yesterday to 139p. It is easier to understand why the company is not committing itself to a higher dividend at this stage.

The British tax system has some strange effects on British company accounts, and few annual reports are stranger in this respect than that of Mercantile Credit, the instalment credit and leasing subsidiary of Barclays. Pre-tax profits are £32.9m but there is a £73.5m transfer to deferred taxation, and in all Mercantile now has deferred tax reserves of £183.4m against shareholders' capital of

Partly this is because Mercan tile is being used to mop up the tax liabilities of other Barclays subsidiaries. It is also because pre-tax profits, as the Inland Revenue calculates them, are more like £100m (depreciation not being relevant). Moreover Mercantile is deferring more than just tax provisions: it is putting off for another year, as it is entitled to, the question of how to respond to the new tax

Continued from Page 1

### Pressure on food prices

but no signs of any widespread "panic" buying. Items, such as sugar, salt,

fresh foods and some canned meats and vegetables were short, but the supermarket companies endorsed that they had his association's products alternatives for each product in short supply, with the possible exception of sugar.

one of the strike.

Leading national supermarket chains are understood to hold at would be shut down by this least thre weeks' supply of weekend and all works would least thre weeks' supply of groceries in their warehouses. close by a Reserves are in any case higher transport than usual because managers picketing companies were forewarned of the lorry edible oils and fats.

whose members account for 95 per cent of UK cake and biscuit production, warned that

UK TODAY

very cold.

Wales Dry with sunny periods, moderate winds. Max. 0C (32F).

He said many biscuit factories close by early next week unless transport workers stopped picketing companies supplying

S.E., E. Anglia, E. Coast

Sunny periods and snow showers. Max. 1C (34F).

N. England

Sunny periods, freezing fog. Max. 2C (38F). IoM, Cent. Scotland, Highlands,

Western Is., Ulster
Sunny periods, snow showers.
Max. 4C (39F).
S. and E. Scotland, Orkney and

Shetland Cloudy, sleet or snow. Max. 2C

(36F). Outlook: Frost and freezing fog patches. Becoming less cold with some rain in Scotland and

Weather

IT WILL be mostly dry with sunny periods but there will be snow showers on the East Coast and in Scotland. It will remain London, S. Cent. England, Midlands, Channel Is., West,

BUSINESS CENTRES

HOLIDAY RESORTS

drivers' action.

Mr. David Cramb, chairman
of the Cake and Biscuit Alliance.

Supplies of meat have not yet
been affected either by the
weather or industrial action, the weather or industrial action, the Meat Trades Federation said yesterday. But shoppers might find some problems with the limited

The National Federation of Fruit and Potato Traders, representing wholesalers, said it was monitoring trade at markets around the country and reporting its findings daily to the special "emergency" unit at the Ministry of Agriculture.

While supplies were shorter than normal for the time of the federation said needed two or three days more before it could assess accurately the extent of shortages.

selection of cuts on offer.

The Fresh Fruit and Vegetable Information Bureau re-ported that retailers were increasingly "slashing" their profit margins to attract back shoppers frightened away by rapidly escalating prices.

The Milk Marketing Board has borrowed three Guinness tankers and is using Freightliner trains to transport milk to creameries able to process it into butter.

Although supplies are still getting through to all doorstep delivery companies, much of the production in the West Country is being diverted into manufac ture because the Board cannot transport it to usual direct consumption markets.

The Guinness tankers—capacity 20,000 litres each—will go into service today, taking milk from Bristol to Felinfarch creamery in mid-Wales. Doorstep supplies will be scarce in parts of Merseyside this morning, however, after a

walkout at a Unigate Dairy in Liverpool. Two hundred workers left the bottling plant following the suspension of four men who refused to load some vehicles. Almost 50,000 gallons of milk are bottled daily at the dairy.

Sir H. Fisher to head Lloyd's rules inquiry

BY JOHN MOORE SIR HENRY FISHER, a former
High Court judge and now president of Wolfson College, Oxford, is to head a working read of the Fourity and the Fou SIR HENRY FISHER, a former is to head a working party to look into the self-regulation mechanisms of Lloyd's of

Names of the other members of the group are still being dis-cussed with Sir Henry. They will be announced shortly, as will the precise terms of reference of the inquiry. Lloyd's decision to look into

its own club-like system of regulating its insurance market was announced in mid-December following public criticism over the way it had handled an inquiry into the so-called "Savonita"

and the Equity and Law Life Assurance group), said last night: "It is a very important inquiry, and falls into step with have happened recently, such as the Wilson Committee's inquiry, which have examined the work-ings of capital markets."

Lloyd's, which is conscious of the political attention that the

market has received in the last year, said yesterday: "We would like to see the inquiry com-pleted as quickly as possible, compatible with efficiency. But obviously we would like the job to be a thorough one rather than

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### **Barre presses Germany**

the burden in other areas, in particular agricultural affairs." He expressed deep regret about the weak state of the dollar and hoped European and U.S. monetary authorities could get together in the next few months to take steps towards better management of the inter-

national monetary situation. stability was the decisive act Frace's request when required to launch fresh world devalued the franc in 1969.

growth and create the confi-dence needed for investment. "Currency is the key to everything," M. Barre said. His remarks confirm that France sees the EMS issue as one to be thrashed out with Bonn rather than with other EEC members. With some skill, he skirted the fact that the system of Monetary Compense The achievement of monetary tion Amounts was set up at

